

296027

JPRS-CRF-87-006

20 AUGUST 1987



**FOREIGN
BROADCAST
INFORMATION
SERVICE**

JPRS Report

China

RED FLAG

No 12, 16 JUNE 1987

20000124 046

DHC QUALITY INSPECTED 3

**Reproduced From
Best Available Copy**

DHC QUALITY INSPECTED 1

REPRODUCED BY
U.S. DEPARTMENT OF COMMERCE
NATIONAL TECHNICAL
INFORMATION SERVICE
SPRINGFIELD, VA 22161

DISTRIBUTION STATEMENT A
Approved for Public Release
Distribution Unlimited

10
93
A05

20 AUGUST 1987

CHINA

RED FLAG

No 12, 16 June 1987

[Translation of the semimonthly theoretical journal HONGQI of the Central Committee of the Communist Party of China published in Beijing.]

CONTENTS

Reform and Opening Up Are Our General Principle and Policy (pp 2, 3, 4).....	1
Strengthen Party Building Under the Conditions of Reform and Opening Up (pp 3, 4, 5-6) (Editorial).....	4
Spirit Displayed Before a Blazing Fire (pp 7-8) (HONGQI commentator).....	9
Strengthen the Building of Rural Grass-Roots Party Organizations in the Course of Reform--An Investigation of the Establishment of Grass-Roots Party Organizations in the Course of Reform in Suzhou City's Rural Areas (pp 9-12) (Gao Fumin).....	12
Brief Discussion on 'Double Increase and Double Economy' in Light Industry Enterprises (pp 13-15) (Yang Bo).....	20
A Study of Leased Operation of Enterprises (pp 16-22).....	26
Leased Operation an Important Avenue for Enlivening Small-Scale Enterprises (Ling Fangqiu).....	26
The Various Forms of Leased Operations (Zheng Li, Liu Zhaonian, Xiao Wentong).....	28

In Leased Operations What Is the Relationship Between the Lessees and the Staff and Workers of the Enterprise? (Xiao Liang).....	31
The Object of Leased Operations Is the Enterprise (Ji Zhaoquan).....	33
We Hope To See a More Lively 'Investigation Reports' Column (p 22) (Li Biyan).....	36
Lose No Time in Leading Students To Study Marxism (pp 23-25) (Lin Ke).....	37
Talk on Tradition and Reform (pp 26-30) (Wang Xingguo).....	42
Jottings Written After Reading 'The Third Wave'--Also Commenting on 'Comments on "The Third Wave"' and 'A Big Lever' (pp 30-34) (Tian Sen).....	49
An Interview With Noted National Go Chess Champion Nie Weiping (pp 35-37) (Yang Rupeng, Guo Jinping).....	56
Expositions on Several Important Views in the Revised and Enlarged Edition of 'Building Socialism With Chinese Characteristics' (pp 38-42) (HONGQI Theoretical Education Editorial Office).....	61
II. Concerning Adherence to the Four Cardinal Principles and Opposition to Bourgeois Liberalization.....	61
Random Thoughts on Devotion to Work (p 43) (Chu Ruigeng).....	71
Calling for the Feelings of 'Country Folks'--Recommending the Film 'Country Folks' (p 44) (Lin Wenshan).....	73
Table of Contents of Issues No 1-12, 1987 (pp 45-48).....	76
Majesty and Beauty Mirror Each Other While Sentiments and Feelings Are Incisively and Vividly Depicted--Appreciation and Analysis of the 'Geleshan Martyrs Monument' Sculptures (inside back cover) (Yu Ren).....	88

/6091

REFORM AND OPENING UP ARE OUR GENERAL PRINCIPLE AND POLICY

Beijing HONGQI [RED FLAG] in Chinese No 12, 16 Jun 87 pp 2, 3, 4

["Forum"]

[Text] Since the ideological trend of bourgeois liberalization spread unchecked for a while in the previous period, our party has stressed the need to oppose bourgeois liberalization. The purpose in doing so is to ensure that the line laid down by the 3d Plenary Session of the 11th CPC Central Committee will be understood and implemented more comprehensively and faithfully. To interpret it briefly, this line is a guide for the building of socialism with Chinese characteristics. It consists of two basic features, namely, upholding the four cardinal principles and upholding the general principle and general policy of reform and opening up (including opening up to the outside world and to other parts of the country). Without reform and opening up, our socialism will come to a standstill and will ossify, and socialism with Chinese characteristics will be impossible. And, if our reform and opening up process deviate from the socialism orientation, our socialist cause will suffer a great setback, thus socialism with Chinese characteristics will also be impossible. Therefore, the four cardinal principles and the policy of reform and opening up, as the two basic features of the party's line, are interdependent like lips and teeth rather than antagonistic and mutually repulsive, and the relations between them are definitely not those between the key link and other links.

Now, one thing that must be brought to our attention is that we must not consider the four cardinal principles from an ossified point of view just because we are opposing bourgeois liberalization; and we must not set the four cardinal principles against the reform and opening up policy, stressing only the former but ignoring the latter, or simply downgrading the latter. Otherwise, we would deviate from the line laid down by the 3d Plenary Session of the 11th CPC Central Committee. Just think what we would do if we solely stressed the reform and opening up policy and repudiated or downgraded the four cardinal principles. And, should we deviate from the party's line, our country could not possibly extricate itself from poverty and backwardness and socialism with Chinese characteristics would be reduced to an empty goal. In the past, we stuck to the old way and build the country behind closed doors. Although we did make some progress and some advanced things were produced, the results were generally unsatisfactory, the development of productive forces was slow,

and the people's livelihood was hardly improved. As a result, the superiority of the socialist system was not brought into full play. After the 3d Plenary Session of the 11th CPC Central Committee, as some principles and policies favorable to the development of productive forces were adopted and the reform and the opening up process were initiated, good results have been scored early on. Practice has shown that the only way out lies in reform and opening up. The principles and policies that we have adopted are correct, and the road that we are following is also correct. So long as we steadfastly follow this road, it is definitely possible for our country to reach a well-to-do standard by the turn of the century and to become a moderately developed country by the mid-21st century. By that time we will be able to show mankind with our deeds a truth that Marxism has pointed out: Socialism is the only way out and it is superior to capitalism.

Reform and opening up must be carried out step by step in an orderly way under the party's leadership, and a political situation characterized by stability and unity is a necessary condition to guarantee smooth progress of the whole process. Flaunting the banner of reform and opening up, those supporters for bourgeois liberalization have repudiated the four cardinal principles, disrupted the political situation of stability and unity, and seriously interfered with the reform and the opening up process. Therefore it is necessary to resolutely oppose bourgeois liberalization. Just as Comrade Deng Xiaoping pointed out: The struggle against bourgeois liberalization will be carried on throughout the whole process of the four modernizations. However, opposing bourgeois liberalization does not mean to suspend reform and opening up. Our purpose in doing so is to get rid of interference, to uphold the reform and the opening up process, and to ensure that reform and opening up will be going on along the right track. Now, after nearly 6 months' efforts by the whole party, the ideological trend of bourgeois liberalization has already been checked, this trend of thought has lost public support, all comrades in the party have seen its harmfulness more clearly and have further enhanced their understanding of the four cardinal principles, and the situation characterized by stability and unity has been consolidated and is gaining ground. This being the case, we must seize the opportunity to further the reform, gradually speed up the reform and devote all our efforts to accomplish it, while carrying on the struggle against bourgeois liberalization.

To expedite the reform and the opening up process, we must continue to encourage people to emancipate their minds and to bravely blaze new trails in light of China's reality and according to the principle of seeking truth from facts. We can say for certain that if we had not emancipated our minds under the guidance of Marxism and if we had not bravely blazed new trails in light of China's reality and according to the principle of seeking truth from facts, we would have not been able to formulate the line of the 3d Plenary Session of the 11th CPC Central Committee and the general principle and policy of reform and opening up. As far as this is concerned, the most important thing is that we must skillfully integrate the universal truth of Marxism with the rich experience in building a socialism with Chinese characteristics, keep abreast of the new circumstances around us, solve new problems that we are facing, and try to accomplish our new tasks. In the previous period, under the pretext of emancipating the mind and blazing new trails, a handful

of people were enthusiastic about bourgeois liberalization. They tried to break through the four cardinal principles that they had denounced as "old conventions" and tempted people to the road of "total Westernization." It is quite natural that their attempt met with criticism and was opposed by the party and the people. In fact, those who tended to do so were not emancipating their mind but indiscriminately copying "foreign dogmas" in the vain hope of redeeming China with Western methods. To be sure, there are now very few people who would oppose reform and opening up. However, the long-standing influence of "leftist" concepts has cultivated for decades in our society a force of habit which is hard to eliminate. Some outmoded, fixed, and ossified views are still tying up some comrades' minds and pushing them to look for remedies from books to redeem China. Neither of the ways mentioned above can save China because both of them have one thing in common--they have deviated far from China's reality. The most important feature of China's reality is the country's low productivity which matches only the primary socialist stage. It is based on this fact that the line of the 3d Plenary Session of the 11th CPC Central Committee demands that we integrate the universal truth of Marxism with China's reality and solve a great and very interesting practical problem by upholding the four cardinal principles while implementing the reform and opening up policy, so as to build up a socialism with Chinese characteristics. Judging from the general ideological state of the whole party, we can conclude that we have never gone too far in emancipating our minds but have been too conservative. Most of our comrades are still on their way to emancipating their minds. Only by constantly emancipating our minds, bravely blazing new trails, and gearing our thinking to the actual needs of China, will we be able to carry out the reform further in depth and constantly expand it, to uphold the four cardinal principles in a better way, and to accomplish the mission of building a socialism with Chinese characteristics. All our comrades, whether they are engaging in theoretical or practical work, must be fully aware of this.

/6091

CSO: 4005/849

STRENGTHEN PARTY BUILDING UNDER THE CONDITIONS OF REFORM AND OPENING UP

Beijing HONGQI [RED FLAG] in Chinese No 12, 16 Jun 87 pp 3, 4, 5-6

[Editorial]

[Text] Strengthening party building under the conditions of reform and opening up is a major subject for our party in the new historical period, and party organizations at all levels and all party members must make joint efforts in this respect.

A basic law for party building is that party building must be closely linked up with the party's line, serve the party's line, and ensure the implementation of the party's line. The party's line has different fundamental contents in different periods. Therefore, party building in different periods must be conducted closely around the fundamental contents of the party's line in different periods and must ensure the fulfillment of the fundamental contents of the party's line. During the period of democratic revolution, our party's line had two fundamental contents: One was building base areas in the countryside and conducting armed struggle centering on encircling the cities from the countryside, and the other was building the united front with the national bourgeoisie. At that time, party building was linked up closely with these two fundamental contents. Just as Comrade Mao Zedong pointed out: "The party's failures or successes, its retreats or advances, its contraction or expansion, its development and consolidation are inevitably linked up with its relations with the bourgeoisie and with armed struggle." ("Selected Works of Mao Zedong," Vol 2, p 568) When our party correctly handled the two problems, namely, establishing the united front with the bourgeoisie and conducting revolutionary armed struggle, our party advanced; when our party failed to correctly handle these two problems, it fell back. From the experience of party building during the period of democratic revolution, we realize that party building should never be separated from the party's line and from the fundamental contents of the party's line. If we fail to correctly understand and handle the relationship between the party's line and party building, party organizations cannot be truly consolidated and developed.

In the new historical period of building socialist modernization, the main task for party building is to ensure the implementation of the party's line since the 3d Plenary Session of the 11th CPC Central Committee. The party's line since the 3d Plenary Session of the 11th CPC Central Committee is a line

of building socialism with Chinese characteristics and bringing about China's socialist modernization. It is a product of integrating the basic tenets of Marxism with the concrete practice in China and a summary of both positive and negative experiences in China's socialist construction over the past 30-odd years. This Marxist line has two fundamental points: One is upholding the four cardinal principles and the other is adhering to the general policy of reform, opening up, and invigoration. If we depart from these two fundamental points in today's party building, the consolidation, development, and expansion of party organizations and the strengthening of party members' party spirit and the continuous upgrading of the degree of their proletarian revolutionization will become an empty talk without real contents, leading to the retreat and failure of party building and the party's cause in the end. Therefore, we must firmly establish a guiding idea for party building in the new historical period, namely, ensuring the fulfillment of the two fundamental points of the party's line since the 3d Plenary Session of the 11th CPC Central Committee. Only thus can party building not be bogged down in a partial, narrow, and erroneous position, can party development have a correct orientation and bright prospects, and can the party be built into a core force that can lead socialist modernization.

In order to ensure serious implementation of the party's line since the 3d Plenary Session of the 11th CPC Central Committee and to build socialism with Chinese characteristics, an important task in party building is to make all party members, party leading cadres in particular, stand in the forefront of implementing the two fundamental points of the party's line since the 3d Plenary Session of the 11th CPC Central Committee. Therefore, we must fully understand that the essence of adhering to the two fundamental points is to build socialism with Chinese characteristics, to develop social productive forces, and to make the country strong and people rich. If we cannot get rid of poverty and if social productive forces stagnate for a long time, socialism will become less attractive to the masses. We must use Marxist ideas to overcome ideas of bourgeois liberalization and ossified ideas. If we treat the four cardinal principles with ossified views, we will inevitably draw a conclusion that rejects reform, negates opening up, and ceases invigoration. If we treat reform, opening up, and invigoration with ideas of bourgeois liberalization, we will inevitably draw a conclusion of negating the four cardinal principles. In the meantime, we should not use ideas of bourgeois liberalization to oppose ossified ideas, nor should we use ossified ideas to oppose ideas of bourgeois liberalization. Only by discarding these two types of erroneous ideas together, can we correctly understand and grasp the two fundamental points of the party's line since the 3d Plenary Session of the 11th CPC Central Committee and can we conscientiously fight for the fulfillment of the two points.

We must also educate and encourage all party members to take an active part in the practice of reform, opening up, and invigoration, and to boldly explore a road for building socialism with Chinese characteristics. Since it is an exploration, mistakes are unavoidable. We should not expect building socialist modernization to be as smooth and comfortable as walking on the Changan Boulevard. We must make concrete analysis of the shortcomings and mistakes in reform, exploration, and advance; must protect the enthusiasm of

party members, cadres, and the masses for conducting reform; and must promptly correct our mistakes and shortcomings. Freezing irony, burning satire, and any excessive demands are wrong and all acts to dampen enthusiasm for conducting reform should be prohibited. Under the new historical conditions, if we talk about party building by breaking away from the practice of reform, opening up, and invigoration, party building would either repeat the previous "leftist" practices unsuited to the new situation or cannot create some new methods suited to the new situation, turn many basic principles into hollow slogans, and fail to play a guiding role in real life. Therefore, in the course of reform, opening up, and invigoration, we must continuously explore effective methods and channels for conducting party building, educating party members, and promoting democratization of inner-party political life and must protect and arouse the enthusiasm of party members and party-member cadres so that they can play an exemplary role in building modernization.

Undoubtedly, conducting party building under the conditions of reform, opening up, and invigoration is much more complicated than conducting party building under the closed conditions. On the one hand, party members will face more infiltration and corruption of decadent bourgeois ideas and the remnant feudal ideas, so they will shoulder much heavier tasks in the struggle between proletarian ideas and bourgeois ideas and various nonproletarian ideas. On the other hand, because our party lacks the experience of self-construction under the new historical conditions, because there must be a process in understanding, analyzing, and studying new situations and problems, and because the right and wrong and the true and false cannot be distinguished in a short time, a handful of weak-willed people have indeed degenerated in the face of the lure of bourgeois lifestyles and some have made mistakes of one kind or another due to their lack of experience. But we should not put ourselves in a closed position again because of all these phenomena. This is useless and also reflects the lack of our self-confidence. Conducting party building in a closed environment is of course relatively simple, but the party members cultivated under this environment are very frail and cannot stand the test of complicated environments. It must be admitted that cases of party members and party-member cadres violating discipline and committing crimes have increased remarkably in the course of reform, opening up, and invigoration. One of the reasons for this is that many of our party members and party-member cadres have grown up in a peaceful environment and they have not undergone the test of the struggle between corruption and anticorruption in a complicated environment, so they are weak in the areas of discernment, immunity, and resistance. And all these abilities can only be gradually strengthened by facing up to passive elements and evil things and in the struggles between corruption and anticorruption.

Some people worry if the party contingent can resist the invasion of the decadent bourgeois ideas under the conditions of reform, opening up, and invigoration. Raising this problem is conducive, for it can draw the attention and vigilance of party organizations at all levels, all party members, and party-member cadres. However, if we doubt the necessity of reform, opening up, and invigoration because of this, it is wrong. Our party is able to lead all its party members to overcome the influence of decadent bourgeois ideas and various nonproletarian ideas and to make them

grow up in this kind of struggle between corruption and anticorruption. Our party was born and has grown up in the struggle of resisting capitalist and feudal forces. During the period of the democratic revolution, many Communist Party members who worked in KMT-ruled areas, in the face of bourgeois lifestyle, refused to degenerate, displaying their strong immunity ability to resist the invasion of bourgeois ideas. At that time, our party building was not conducted in a closed way and we did not give up work in KMT-ruled areas because of rampant bourgeois ideas in the areas. Instead, we strengthened education on party members, trusted party members' political consciousness, and let party members stand tests under complicated environments. Today, we are conducting reform, opening up to the outside world, and invigorating the economy under the socialist system. The influence of decadent bourgeois ideas is only an adverse current in all social ideas. It is rejected and criticized by the whole people ideologically and resisted conscientiously by many people in action. This being the case, we have no reason to give up the general policy of reform, opening up, and invigoration and to put party members in a closed position because of the existence of bourgeois ideas. We must trust party members' consciousness of party spirit and their ability to distinguish between right and wrong, and believe that they can make correct choices in reform, opening up, and invigoration and can set a good example to the broad masses. Furthermore, our party is continuously conducting education on party members in party spirit and political awareness, and urging party organizations and all party members to observe discipline, to abide by law, and to act within the scope of the Constitution and law and in strict accordance with the party Constitution and "Some Regulations on Inner-Party Political Life." In particular, leading cadres of the party must observe the party Constitution and party discipline in an exemplary way. Meanwhile, our party is strictly enforcing party discipline and resolutely investigating and punishing party members who violate party discipline and have degenerated, so as to educate the vast numbers of party members and to increase their ability to resist corruption. We should not give up eating for fear of choking and should not repeat the wrong practice of isolating ourselves just because some party members made mistakes.

Under the conditions of reform, opening up, and invigoration, the decadent bourgeois ideas often corrode a handful of party members. As the corrosion often exists, we must often fight against it. A new demand has thus been raised on how to strengthen and improve our party's work, namely, how to make the struggle against corrosion run through the whole process of construction and reform and how to let the struggle permeate through construction and reform. In the past, we used to adopt the method of launching a movement to fight corrosion. This method is no longer applicable under the conditions of reform, opening up, and invigoration. We must seek a new method to turn the work of fighting corrosion into a motive power in construction and in reform and opening up. We should not use fighting corrosion to delay or stop construction, reform, and opening up. We must carry out construction, reform, and opening up on the one hand, and fight corrosion on the other. The two must complement each other. As for how to put the struggle against corrosion in reform and opening up, comrades of the whole party need to make serious explorations and accumulate experiences.

While conducting party building under the conditions of reform, opening up, and invigoration, we must also break away with the previous practice of conducting party building in an isolated way, so as to coordinate party building with entire construction, reform, democratic supervision, public supervision, legality building, and thoroughgoing and painstaking ideological work. Conducting party building in a broader environment may achieve better results and social effects. If party building is strengthened, it will directly bring along and promote other work; and the proper carrying out of other work will also provide a good social environment for party building. All parts must coordinate with and promote each other and must make concerted efforts to conduct comprehensive treatment. Thus, we can find a new road in party building which does not rely on political movements but on reform and the improvement of our system.

While conducting party building under the conditions of reform, opening up, and invigoration, we must also reform the party's leadership system and working system. We have done quite a lot in separating the functions of the party from those of the government; in making the cadre contingent more revolutionary, younger, more intellectual, and more professional; in reforming the cadre system; and in promoting democratization of inner-party political life. Of course, due to the lack of experience and other causes, there are some defects and shortcomings in the reform and we need to make improvement, consolidation, and readjustment. However, we should not refuse to fully affirm the results achieved because of this. We must continue to reform the party's system, including the party's leadership system; develop inner-party democracy; improve democratic centralism; strengthen supervision over party leaders; and perfect the party's cadre system and other systems. In-depth reform in these fields is of fundamental significance to strengthening party building.

In short, we should upgrade party building to a new level under the conditions of reform, opening up, and economic invigoration. People usually adopt two kinds of attitudes when meeting new situations and problems. One is the positive attitude, namely, they do not avoid it and they do their best to find a new way to solve the problems. Through this kind of active effort, they can continuously upgrade party building to a new level. The other is a passive attitude, namely, they refuse to find out a new way, but passively blame the new environments and conditions, or the party's general policy of reform, opening up, and invigoration, and wish to slip back into the old rut. Just as Comrade Deng Xiaoping pointed out recently: "In today's China, there are not many people who oppose reform, but in formulating and implementing concrete measures, usual practices would show up and play their role. People are always reluctant to abandon old things." This passive attitude is very disadvantageous to building socialism with Chinese characteristics, and also very harmful to conducting and strengthening party building. At all times, we must adopt a positive attitude; criticize and restrain ideas and acts unsuited to the general policy of reform, opening up, and invigoration; and upgrade party building to a new and higher level through the efforts of the whole party.

/6091

CSO: 4005/849

SPIRIT DISPLAYED BEFORE A BLAZING FIRE

Beijing HONGQI [RED FLAG] in Chinese No 12, 16 Jun 87 pp 7-8

[HONGQI commentator's article]

[Text] The great fire in the Da Hinggan Ling forest area, which swallowed up around a million hectares of forest and seriously injured the people's lives and properties and wreaked havoc for more than 20 days, was eventually tamed and put out. Here, we extend our cordial appreciation and salute to the PLA commanders and soldiers, forest police, firemen under the public security system, the cadres and masses in the afflicted area and all the comrades who have made contributions to putting down the fire and providing relief.

The heroic army and people conquered the ferocious great fire. Whether it was the soldiers, cadres, and masses, or the people that came from all parts of the country to help quell the fire, their actions fully demonstrated the lofty sentiment of placing the interests of the state and the people above all else, the fearless heroic spirit, the collective style of unity and friendship, mutual cooperation, and the spiritual state of selflessness. The struggle to put out the fire has greatly deepened the camaraderie between the army and the people, between the party and the people, and among the masses. The struggle not only spurred the people to conquer the great fire with a staunch will and unbending determination and the afflicted masses to rebuild their homes and to recover production, but warmed the people's hearts all over the nation, inspiring them to plunge into socialist modernization with still greater passion.

As in other occasions of rushing to deal with emergencies and providing relief, the PLA commanders and soldiers resolutely carried out orders, marched toward the afflicted area, and fought heroically and fearlessly in the forefront of putting out the fire in rushing to deal with the emergency. They rushed to wherever the fire was the fiercest and the danger the greatest, going all out to protect the masses' lives and properties. Many officers and men pledged to take part in the struggle, regardless of their personal difficulties or family problems, and bravely marched toward the forefront in quenching the fire. A lot of officers and men were wounded in battling the fire, but would not leave the forefront, while rushing back to the sea of fire after some first-aid treatment. Still more officers and men would shuttle back and forth in the sea of fire to save the lives of the masses from the

fire, running the risk of their own lives time and again, while bringing the hope of life to the masses. They brought forward the PLA combating style of being valiant and undaunted, fighting unremittingly, and fearing neither sacrifice nor exhaustion, charging against the fire day and night. When making arrangements for the afflicted people after the fire, they let the masses stay in the camps, sending them their own portions of grain and vegetables, while they themselves stayed out in the open going hungry. It was with just such a sense of a soldier's responsibility of serving the people heart and soul and the socialist consciousness characterized by selflessness that a series of heartbreaking heroic actions on the part of the soldiers, the sons and brothers of the people, took place in quenching the fire and providing relief. And it was precisely because of their love for the people that they in turn won the people's trust and support. Here, the fish-and-water relation between the army and the people was making itself felt everywhere, and the masses' praises of the soldiers could be heard everywhere. At the most critical moment, the masses regarded the PLA as the "hope of life" and "the guarantee of security." This has once again proved that our People's Army is not only a bastion of steel in safeguarding the motherland but the staunch defenders of the four modernizations and the people's lives and properties.

In the forefront of the life-and-death struggle to quench the fire and to provide relief, the heroic images of communists were shining everywhere. To protect a fuel depot, many communists in the county site of Moho wrapped themselves up in quilts soaked with water, lay on top of the depot, and let the fire sweep through their bodies. The fuel depot might have exploded any minute, but they did not hesitate or waver. Comrade Sun Zhongchao, a communist, led more than 40 firemen to quell the fire in a neighboring forest farm, only to find their own village burned to ashes when they returned; among those who lost their lives in the fire were his wife and young son. He controlled his grief, again he led the firemen to plunge into the struggle to quench the fire with a selfless spirit. The exemplary feats of numerous communists have demonstrated that the majority of grass-roots organizations of the CPC possess combat effectiveness; they performed their duty in obscurity in a down-to-earth way.

How many heartbreaking stories there were in the struggle against the ferocious fire! Here, the collective spirit of "one for all, and all for one" represented itself vividly, while the ugly behavior of selfishness and cowardice, clinging to life and fearing death, "looking forward to money in everything," and "reaping a windfall" was universally despised and disgusted. Li Baochai of Malin forest farm determined to leave his wife, who was about to labor in her pregnancy, to put out the fire, while his neighbors saved his wife's life from the sea of fire, and transferred her to a safety zone; when the baby was born, it was well taken care of by some perfect strangers. In support of fire-fighting efforts and providing relief, the Northwest Forestry Machine-Building Works in Shaanxi, which was thousands of miles away from the afflicted area, held a rush overtime to turn out wind-powered fire extinguishers which were in urgent demand; no sooner had the fire extinguishers been turned out, than the People's Air Force had them delivered in haste to the fire-fighting front. The workers and staff of the

railway and communication departments did away with all difficulties, making light of the danger of being swallowed up by the fire, to transport tens of thousands of helping hands from various parts of the nation to support the afflicted area in fighting the fire as well as tens of thousands of tons of relief materials, while safely transporting the afflicted, the sick, and the wounded out of the area. Even though the fire was spreading, the workers and staff of the railway in the forest area persisted in their production, and did their best to haul away the timber. The people in all parts of the country showed great concern for the condition of the fire in Da Hinggan Ling, and kept in mind the safety of the afflicted people. Numerous helping hands were stretched to the people of Da Hinggan Ling. With those hands were sent comradely warmth and revolutionary friendship.

In the course of fighting the fire and providing relief, party and state leaders personally arrived at the site for inspection and command. The concrete organization of local governments at all levels and the close cooperation and coordinated actions of various departments throughout the nation enabled smooth progress in extinguishing the fire. Now the work of rebuilding homes and recovering production has already begun. If we say the quenching of the great forest fire was a life-and-death struggle, the rebuilding of homes and reviving of production will be a process full of difficulty and hardships. We believe, under the party and government leadership, the people of the afflicted area will likewise complete heartbreaking chapters in bringing forward the undaunted spirit and the style of showing the utmost fortitude in quenching the fire and providing relief, and overcome all kinds of difficulties to rebuild their homes and recover production.

The recent great forest fire has also exposed many problems in our work. For example: Bureaucracy characterized by grave irresponsibility; confusion in enterprise management, with many loopholes; poor quality of the contingent of workers and staff; weakness in ideological and political work; relaxation in the implementation of discipline, rules and regulations; and the negligence in fire prevention and fire extinguishing work, backwardness in the means of fire prevention and fire extinguishers and their poor maintenance as well. If those problems had not been in existence, and if every worker had been able to stand fast at his post and to observe his duty, could such a great fire have taken place? There are no grounds for us not to preserve, and not to bring forward the lofty spirit displayed in quenching the fire and providing relief in our day-to-day work. All state cadres, those cadres in leading posts in particular, must serve the people heart and soul, acquire a profound understanding that bureaucracy is the greatest felony, and be devoted to their duty in their posts. If all our cadres regard their work enthusiastically, conscientiously and responsibly, we will be able to better avoid mistakes and man-made disasters in our progress, and our socialist modernization will develop smoothly.

/6091

CSO: 4005/849

STRENGTHEN THE BUILDING OF RURAL GRASS-ROOTS PARTY ORGANIZATIONS IN THE COURSE OF REFORM--AN INVESTIGATION OF THE ESTABLISHMENT OF GRASS-ROOTS PARTY ORGANIZATIONS IN THE COURSE OF REFORM IN SUZHOU CITY'S RURAL AREAS

Beijing HONGQI [RED FLAG] in Chinese No 12, 16 Jun 87 pp 9-12

[Article by Gao Fumin [7559 4395 3046]]

[Text] Just like the life-giving spring breeze and rain, reform has given vitality to Suzhou city's rural areas and brought great historic changes; the social productive forces have developed rapidly; the economy under public ownership has been increasingly consolidated; and the vast numbers of peasants have become rich together. The city's total agricultural output value in 1986 was 14.68 billion yuan, an increase of 260 percent over 1978 and accounting for 57 percent of the city's total industrial and agricultural output value. The per capita net income of the city's peasants reached some 844 yuan, 665 yuan more than the 179 yuan in 1978. About 70 percent of the income comes from distribution by collectives.

The results achieved in the reform are linked to the role played by grass-roots party organizations as a fighting force and to party members' role as vanguards and models. And fully mobilizing the role of party organizations and party members is linked to the strengthening and improvement in the building of party organizations. In the course of adapting themselves to and promoting the reform, Suzhou city's rural party organizations have brought about many gratifying changes in the practice of making new trials continuously.

I

Along with the in-depth development of the economic structural reform, the previous production structure in Suzhou's rural areas, namely, unitary operations and barriers between the towns and the countryside, has been changed, and the new comprehensive development of agriculture, industry, and commerce and the integration of towns and the countryside has been formed. Most striking is the emergence of town and township industries, which illuminate the road of peasants getting rich like a bright star. More than 1.1 million laborers are now employed by the city's town and township industrial enterprises and more than 400,000 laborers are now working in construction, transportation, labor services, commerce, and other service trades.

These two figures account for 60 percent of the total rural labor forces in the city. Changes have taken place accordingly in the distribution of party members. There are about 38,000 party members in the city's town and township enterprises and nearly 30,000 party members in village-run enterprises. The sum of the two accounts for 54.6 percent of the total party members in rural grass-roots organizations. In addition, the number of party members in specialized households, individual operators, and those who go to other areas to work and do business on a collective basis has also increased greatly. In the past, party branches were set up with an administrative village as a unit and party groups were set up with a villagers group as a unit. But this organizational setup cannot meet the needs of the new situation and tasks.

In order to promote the rural economy to move toward professionalism, commodization, and modernization, to help build closer ties between the party and the masses, and to help strengthen the education and management of party members, a new setup has been formed in Suzhou city's rural grass-roots party organizations after several years of exploration. In the new setup there are mainly the following seven new organizational patterns.

1. Party organizations established in town and township enterprises. If there are more than three party members in a town or township enterprise, a party branch should be set up in the enterprise. If there are less than three party members in a town or township enterprise, then the enterprise and nearby units should jointly set up a party branch. This is a major point in the improvement of the establishment of grass-roots party organizations in Suzhou city's rural areas. Some 2,790 town and township enterprises in the city have set up party branches, accounting for 83 percent of the total town and township enterprises in the city. Of the party branches, 80 percent were set up by one enterprise independently, and 20 percent were set up by several enterprises jointly. On the average, 2.2 enterprises are under a jointly set up party branch. The ratio between party branches set up in administrative villages and those in town and township enterprises is 5.5 to 4.4. Party branches of these two types have become the main body of the rural grass-roots party organizations under the new situation of reform and developing the commodity economy. Of the city's town and township enterprises, 18 enterprises that each have more than 50 party members have set up general party branches. Sino-foreign joint venture enterprises have also set up party branches. For example, Sai Lu Da Company Ltd. in former Chengnan township, in Kunshan County, which is a Sino-Japanese joint venture, has 11 party members and a party branch was set up while preparations were under way for the establishment of the company.

2. Party general branches set up in administrative villages. In administrative villages that have more than 50 party members and relatively numerous village-run enterprises, village party branches should be changed into village party general branches. Party branches should be set up according to enterprises and trades.

3. Party organizations "jointly set up by factories and villages." This is a new organizational pattern experimented with by some administrative villages

which have relatively numerous village-run enterprises and some key enterprises, and where most party members have joined the enterprises. In Changqiao village of Zhitang town, Changshu city, 80 percent of the village's laborers work in a village-run factory and 70 percent of the village's party members are workers. Since March 1985, the village has practiced the system of "factory and village jointly setting up a party branch" and set up a party branch in the factory. The secretary of the factory party branch is also the secretary of the village party branch, and the method of using the factory to bring along the village is adopted. The practice over the past 2 years proves that the new system has helped strengthen party building and promote economic development. The village has been elected Changshu city's civilized unit for 3 years in succession and the party branch was also elected the town and Changshu city's advanced party branch for 3 years in succession.

4. Party branches or groups set up in various economic combinations that have developed lateral economic ties. Combinations involving different villages, townships, or counties are relatively independent and stable. A combination that has more than three party members should set up a party branch and one that has less than three party members should set up a party group. The relevant local party organizations should decide their subordinate relationships. For example, more than 20 peasants from two townships, namely, Xihu and Xinmao townships of Taichang County set up a fish breeding and poultry raising combination. There are four party members in the combination. The party committees of the two townships held a discussion meeting to set up a party branch in the combination. The party branch was under the leadership of the Xihu township party committee.

5. Party groups or branches set up among individual operators in towns and townships. While stabilizing agriculture and developing town and township industry, Kunshan County's Bacheng town, which is located by the side of Yangcheng Lake, has vigorously supported individual operations. There are 409 individual industrial and commercial households in the town which are engaged in transportation, sewing, and repairing services. These households employ some 1,048 people, of whom 16 are party members. A party branch was set up in August last year. A party branch committee was elected and four party groups were set up among the individual-operator party members.

6. Party organizations set up among party members who leave their original places to work in other areas collectively. Party members who go to other areas to engage in construction, transportation or other business activities may set up party branches or groups (or temporary party branches or groups) according to their length of stay in other areas and to how many of them there are. Generally, these party branches or groups must be under the leadership of their original town, township, or village party organizations.

7. Party groups set up mainly according to trades and enterprises. This is a major point in improving the establishment of party groups in Suzhou city's rural areas. All areas have reorganized party groups in the course of rural grass-roots party rectification. Generally, party groups in an administrative village were set up according to party members' trades and enterprises; and party groups in town and township enterprises were set up according to

workshops and offices. More than 3,000 party groups have now been set up in Suzhou city's village-run enterprises. In some places where there are many aged party members who have retired, party groups have also been set up independently according to their conditions and the principle of convenience.

II

The new pattern of the establishment of grass-roots party organizations in Suzhou city's rural areas is only in an embryonic form, but has achieved marked results.

First, it is suited to the increasingly apparent and relatively large-scale setup in developing the commodity economy, so that the party can carry out its work closely around reform and so that its economic work and grass-roots party organizations can become more vital, and rural reform can develop more vigorously. The establishment of party organizations in town and township enterprises and the gradual strengthening of the party's work in town and township enterprises have provided a strong organizational guarantee for the vigorous development of town and township enterprises. The output value of the city's town and township industries exceeded 10 billion yuan and reached 12.4 billion yuan in 1986, accounting for 48 percent of the city's total industrial and agricultural output. At present, all rural areas have paid more attention to bringing into play the role of party organizations and party members in town and township enterprises, and have exerted themselves in conducting internal reform and transportation in enterprises, to meet the needs of a new developmental stage in town and township enterprises. The establishment of a party branch among individual laborers of Kunshan County's Bacheng town has evoked a strong reaction not only inside the party, but also among the vast numbers of individual laborers. The party branch is also playing a very good role. In only half a year since the establishment of the party branch, individual laborers in the town, influenced by the good example of party members, have conscientiously put themselves under the management of industrial and commercial administration departments. They paid a total of 32,000 yuan in industrial and commercial management fees in 1986, 10,000 yuan more than in the previous year. Individual operators also actively raised funds, took an active part in voluntary labor, actively helped the town government in building an individual operator's street. The town "individual laborer association" was elected as an advanced collective of the county and the city.

Second, since trade and economic organizations participated by party members basically correspond with the scope of the party's organizational activities, party activities can be carried out according to party members' characteristics. This can help strengthen the education and management of party members and help bring into play party members' exemplary role. There are more than 90 party members in Weixin village, Huangdi township, Wuxian County, and they are scattered in 15 village-run enterprises. The enterprises have different working hours, so it was difficult for party members of the party branch to carry out party activities. In January last year, Weixin village's party branch was changed into a party general branch under which there were five branches. The branches were set up according to trades, three in textile,

mechanical and building material industries, one in commercial units, and one in agricultural and sideline production and among retired-aged party members. After the establishment of the party general branch, the party branches, in accordance with the arrangements made by the party general branch, carried out party activities once every month and held party branch committee meetings biweekly. There are not many party members in a branch and the party members are from the same trade and their units are close to each other, so it is easy and convenient for them to attend meetings and carry out party activities. Usually, about 90 percent of the party members of a branch were present at the activities. The contents of the activities were linked with practice and aimed at solving problems. The general branch also held a party work regular meeting each month to listen to reports given by all branches. Party life has basically become a system. A construction team from Minsheng village, Nanfeng township, Zhangjiagang city, worked in Xinjiang. There were three party members in the team and a party group was set up on the site. They worked in the daytime, and studied documents on party rectification in the evening according to the plan of the village party branch. They also regularly reported their work and studies to the party branch. As the party members played a key role, the construction team successfully fulfilled its contracting task and the quality of the project was excellent. On the basis of ensuring the state's tax income and increasing the workers' income year by year, the construction team submitted 240,000 yuan to the village. With the help of the party members the chief of the team gloriously joined the party not long ago.

Third, party members have maintained close relations with the masses and they know each other very well. This is helpful in cultivating and examining activists and in admitting outstanding youths and key elements on the first line into the party promptly. For example, the city's town and township enterprises admitted more than 1,000 people into the party in 1986, accounting for 13 percent of the total new party members in the city and nearly 30 percent of the total new party members in rural towns and townships. A large number of advanced elements who support the party's line, principles and policies, support the reform, have knowledge about commodity production and business management, have a hard working and plain living spirit, and can lead the masses in becoming rich together have joined the party. This has effectively improved the structure of the contingent of party members and cadres in town and township enterprises and increased the combat strength of party organizations in town and township enterprises. In the past, there were no independent party branches in township enterprises in Wujiang County's Beiku town. Some of the enterprises have been operating for many years and are in good shape, and their annual profits were over 100,000 yuan. In the 13 years from 1971 to 1983, only two persons in the town's enterprises joined the party, so the party's strength was weak in the enterprises. In recent years, the town party committee has attached importance to improving the establishment of party organizations in town-run enterprises, maintained close ties between the party and the masses, and effectively promoted the work of developing new party members. All town-run enterprises have now set up party branches independently (five of them have set up party branches recently). Some 61 persons joined the party in 1986, 32 of whom are workers in town-run enterprises. This has strengthened the

party's force in town-run enterprises. In the half a year since its establishment, the party branch among individual laborers of Kunshan County's Bacheng town has earnestly cultivated and educated activists among individual laborers. These activists said that in the past there were no party organizations around them so they had no place to submit their applications for joining the party and did not know how to make progress. Now party organizations have been set up to show concern for them politically, so they feel the door to making progress is open.

III

There are the following characteristics in the readjustment and improvement of rural grass-roots party organizations in Suzhou city.

1. Conform to the trend of reform and actively make explorations. All rural areas have improved the establishment of grass-roots party organizations in the course of continuous exploration. For example, Changshu city has two experiences in improving the establishment of party organizations in town and township enterprises. 1) Factories and party organizations must be established simultaneously, mainly in three forms. In large enterprises, the preparation and construction of which take a long time, temporary party branches must first be set up and official party branches or party general branches should be set up after the enterprises are put into operation. In medium-sized enterprises, the preparation and construction of which take a relatively short time, party branches should be set up directly at once. In small enterprises that need support from old enterprises in personnel and funds, party organizations must first be set up in old factories. When the new factories develop and conditions are ripe, the party organizations should be separated from the old factories and new party branches should be set up independently. 2) Overall consideration should be given to readjusting production and operation mechanism and to readjusting the establishment of party organizations. To meet the needs of the market and their own reform, town and township enterprises have readjusted production and management systems in a timely way and some enterprises have amalgamated. In readjusting the production and management systems, serious consideration should be given to the establishment of party organizations and the assignment of leading members. When Dongbing Township Cold-Rolled Steel Plant in Changshu city was established in 1972, it had only 10 workers and 2 party members. The plant and five other township-run factories jointly set up a party branch. Two years later, as the plant developed and party members increased, the plant independently set up a party branch. The plant developed to a relatively large township enterprise in 1983 when it had more than 700 workers and 90 party members and when its annual output value reached 11 million yuan and its annual profits amounted to 1.71 million yuan. So the plant's party branch was changed into a party general branch. At the end of 1986, the enterprise became a general plant under which there were seven party branches. Party groups were set up in key workshops and teams, and party members could be found at important posts. Thus, the establishment of party organizations has corresponded with reform and the development of enterprises and effectively given vitality to enterprises and party organizations. The plant's output value and profits reached 30.62 and 2.4 million yuan respectively in

1986, and its economic results and growth rate increased at the same pace. The plant is among the best of the successful town and township enterprises in Changshu city.

When investigating the party's work in town and township enterprises in early 1986, Wujiang County discovered that most town and township enterprises that have done well in the building of party organizations had set up party branches independently. As for party branches jointly set up by several units, party activities and the party's role in protecting and supervising enterprises were always restricted. In view of this problem the organization department of the county party committee in "Suggestions on Strengthening the Building of Party Organizations in Town and Township Enterprises" proposed that "units that are able to set up party branches independently should do their best not to set up joint party branches or set up at least joint party branches if possible." Over the past year it has separated some 50 enterprises from joint party branches, some 50 enterprises that have conditions to set up independent party branches and set up party branches in these enterprises independently. Meanwhile, they have paid attention to solving problems in work of joint party branches. 1) Joint party branches formed by five or six units have been readjusted to those formed by two or three units. 2) Joint party branches that each have more than 10 party members have improved their committees, and party-member responsible persons of enterprises under their leadership have been elected members of the committees. 3) Efforts have been made to set up a party branch in one enterprise or nearby ones. 4) The task of cultivating activists and developing party members in some 30 enterprises in the county which have no party members has been clearly assigned to party organizations of nearby units. Some party branches were set up in Suzhou city's town and township enterprises in 1986, and most of them are independent ones. The general trend is that independent party branches have increased and joint party branches have decreased.

2. Earnestly carry out pilot projects and strengthen guidance. To improve the establishment of rural grass-roots party organizations, people must not only have a reforming spirit, but must also adopt a prudent attitude. The work must be conducted on the basis of investigation, study, and experiment. In September last year, the Organizational Department of the Shuzhou city party committee held a city-wide forum on consolidating and developing party rectification achievements and strengthening party building in rural areas. Some suggestions on readjusting and improving the establishment of rural grass-roots party organizations were put forward at the forum after a serious investigation and study. Some experimental experiences discovered and summarized by the organizational departments of the city and some county party committees, such as changing party branches into party general branches in some villages, improving the establishment of rural party groups, setting up party branches among individual laborers, improving the establishment of party organizations in town and township enterprises, and strengthening the education and management of party members who leave their original place to work and do business in other areas collectively, have set an example in the overall work. Some areas have also seriously explored the duties and tasks of the newly established party organizations and given more guidance on

grass-roots work. For example, when Wujiang County's first village-level party general branch was set up in Kaixiangong village of Miaogang township, the organizational department of the county party committee and the township party committee helped the village party general branch formulate trial regulations on the branch's work, clarified the duties and tasks of the village party general branch and all party branches under it, and set down principles governing their mutual relations. Wujiang County's Pingwang town party committee has also formulated trial rules on the work of party organizations in town-run enterprises. According to the practical situation of party organizations in town-run enterprises in the town, the town party committee put forth concrete contents and demands on strengthening and improving the party's work in the enterprises, on bringing into play party branches' supervisory role, and in promoting the development of town-run enterprises.

3. Suit measures to local conditions and seek truth from facts. To improve the establishment of rural grass-roots party organizations we must proceed from reality and act in accordance with the concrete situation of economic development and the movement and distribution of party members in all areas, and must not seek rigid uniformity and rush headlong into mass action. According to the present situation in the rural areas, setting up party branches with an administrative village as a unit is still the basic form of grass-roots party organizations. Because the level of specialization in rural areas is not high, it will take some time for professional economic organizations to develop to a certain level and take shape. Even party-member workers in town and township enterprises still have some characteristics of peasants as they are deeply rooted in rural areas and have countless ties to rural areas. Therefore, the role of party branches in administrative villages should not be ignored. As for economic entities, all areas must pay attention not only to the number of full party members, but also to whether they have become relatively independent and stable economic entities. They should not set up party branches blindly, and some of them only need to set up temporary party branches and groups. If some units ask to change party branches into party general branches or to set up party branches, it should be done in strict accordance with organizational principles, and be examined and approved by party organizations at higher levels. Members of party general branches and party branches should be elected through party member congresses.

/6091

CSO: 4005/849

BRIEF DISCUSSION ON 'DOUBLE INCREASE AND DOUBLE ECONOMY' IN LIGHT INDUSTRY ENTERPRISES

Beijing HONGQI [RED FLAG] in Chinese No 12, 16 Jun 87 pp 13-15

[Article by Yang Bo [2799 3134]]

[Text] At present, a mass drive of increasing production, practicing economy, increasing revenue, and economizing on expenditure is gradually being launched within the whole country and in all trades and professions. This is a basic measure for inheriting and carrying forward our excellent traditions and guaranteeing the continuous and stable increase in the national economy as well as an important magic weapon for promoting socialist economic construction in China.

The light industry mainly produces goods for everyday consumption. Whether the development of light industry is fast or slow, whether the quality of the products is good or bad, and whether the amount of variety and specifications is large or small has a direct bearing on the improvement of the people's livelihood and on the amount of foreign exchange earned from exports. Light industry is also an important industrial sector to accumulate funds for socialist construction. The light industry departments and enterprises are shouldering important tasks in the mass drive of increasing production, practicing economy, increasing revenue, and economizing on expenditure.

I

What is an increase in production? This is a question which must first be clearly answered. When we stress the increase in production, we do not mean the increase in products whatever they may be but the increase in marketable and fine quality products. There should be no increase in the production and we should limit or even suspend the production of those products whose quality is poor and whose supply exceeds market demand and which are unpopular and unsalable.

Since the 3d Plenary Session of the 11th CPC Central Committee, light industrial production of our country has quickly developed. In the 8 years from 1979 to 1986, it increased by an average of over 10 percent a year. In the wake of the development of production, there have also been obvious changes

in the situation in supply in the urban and rural markets, the "sellers' market" of the great majority of products in a relatively long period of time in the past has gradually changed to a "buyers' market," and the consumers have a better choice. In the past, people sold what they produced and could only buy what was sold. So long as they had goods, they were not worried that they could not sell them. People could only buy items on production of coupons. The situation has now changed. As the markets abound in goods, people's purchasing power has been raised, and their living standard has improved, so people will not buy poor quality products whose variety and specifications do not suit them. Now they carry money with them to select goods, and they save money to buy goods. The products which are unmarketable and do not suit the masses will be unsalable and will be stockpiled. This new situation demands that our production departments pay attention to and study the changes in supply and demand in the market and the changes in the structure of people's personal consumption, attach importance to the use values of products, promptly readjust the product mix, and organize production according to demand. It does not work now if we lay stress only on quantity but not quality and variety and specifications and lay stress only on value not but use value, as we did in the past. The aim of our socialist production is to satisfy people's increasing demand for materials and cultural life, to conscientiously attach importance to the use values of products, to meet people's needs after the improvement of their livelihood, to suit the changes in the structure of consumer demand, to unremittingly readjust the product mix, and to promptly meet the new demands by the people in their life. With consumers as the masters and with their demands as the target, we must organize production to have a good supply. This idea must be very clear. In the drive for "double increase and double economy," the light industry departments and enterprises must, therefore, strive to increase the production of those things which are demanded by consumers, the production of the marketable products in the market and of famous brand and good quality products, and the production of those products which are demanded by the international market, the export of which can be expanded. This therefore demands that we analyze all categories of products in order of importance and urgency to decide the products, the production of which should be increased or should not be increased and the production of which should be restricted or suspended so that we know what is what and are clear about our target. Only by doing this can we get good economic results and social benefit.

Attaching importance to the use values of products is, in the final analysis, to use our brains, to think of a way, and to work hard on the aspects of quality, variety, and specifications. Some comrades may ask what shall we do if there is a contradiction between the practice of attaching importance to quality, variety, and specifications according to such a demand and the speed of development. I think that in the event of a contradiction, the practice of attaching importance to quality, variety, and specifications should prevail and it is necessary to adhere to the principle that quality, variety, and specifications come first. To readjust the product mix, to develop new products, to improve the quality of products, and to organize production according to demand, we must be resolved to do so even if the speed of development might be slightly reduced. We must by no means unduly emphasize the reduction of the output value in order to increase quantity.

The prerequisite for laying stress on speed is to lay a foundation for economic results and to lay stress on speed without padding. Comrade Deng Xiaoping has already clearly pointed out: Padding means that the quality of products is poor, products are unsalable and are put in a warehouse, and products do not meet the needs of the market, resulting in wasting energy and materials. When we propose that the output value should be quadrupled and increased to a specified amount each year, we must do so without padding. We must resolutely implement Comrade Deng Xiaoping's directive and make the drive of increasing production, practicing economy, increasing revenue, and economizing expenditure develop in a down-to-earth manner and healthily.

II

We must increase production in the course of practicing economy. Practicing economy includes economizing on materialized labor and animate labor. We must see that waste is fairly universal in our production and construction and is fairly serious in some cases. The luxurious habits of going in for ostentation and extravagance, giving dinners and presents, and extravagant eating and drinking are on the increase. This situation seriously violates the principle of building the country industriously and thriftily and likewise running the enterprises and all undertakings industriously and thriftily and also encourages the spreading of unhealthy trends. In the drive of increasing production, practicing economy, increasing revenue, and economizing on expenditure, we must mobilize and rely on the masses and really change this situation.

Many enterprises have now said that they are running short of raw materials and this is a relatively salient problem in light industrial production this year. To solve this problem, we cannot rely only on the increase in supply (this is necessary) but must work hard to do well in grasping the reduction of the consumption of raw materials. Facts prove that potential in this aspect is very big. The difference between consumption of materials per unit by the backward enterprises of the light industry departments and that for the same products by the advanced enterprises of the same trades is very great, ranging from 10 and 20 percent to 40 and 50 percent and even more. The advanced enterprises can still further tap their potential. Tianjin Bicycle Plant can be reckoned as an advanced enterprise of the light industry enterprises with relatively good management. When I conducted an investigation there in February this year, responsible comrades of the plant told me that they were grasping increasing production and practicing economy and they had saved nearly 50 tons of rolled steel in only a month and that with this rolled steel, they could increase the production of some 1,700 additional bicycles. Similar instances are numerous. According to a rough estimate, if all light industry enterprises throughout the country can reduce the consumption of materials by 1 percent, they can increase income and practice economy by about 600 million yuan; by 2 percent, 1.2 billion yuan or so. What an enormous figure! We must strive to enhance the utilization rate of raw materials and reduce consumption of materials per unit; raise the rate of acceptable products and reduce the rate of inferior products; and grasp well the work of comprehensive utilization and recovery and utilization of waste materials. If this aspect of work is grasped well, we can increase production and benefit along with practicing economy.

Practicing economy in animate labor is an important aspect which cannot be neglected. For many years, our industrial enterprises have cultivated a bad habit--at the mention of increasing production, they have often proposed that the number of workers be increased and have seldom seriously considered how to improve labor organizations, how to enforce labor discipline, and how to raise the working hours utilization rate and labor productivity to increase production with less manpower. We must see that the number of workers of our industrial enterprises now is, on the whole, large and that the waste of manpower is fairly universal and is very serious in some enterprises. We have often heard complaints that our wages are lower than those in foreign countries but we are not aware that our labor productivity is also much lower than theirs. In the drive of "double increase and double economy," we must, therefore, not only economize on materialized labor but also attach great importance to economizing on animate labor and work hard to enhance labor productivity. In the "Government Work Report" made by Premier Zhao Ziyang at the Fifth Session of the Sixth NPC, he pointed out: "All categories of enterprises in the production, circulation, and construction spheres must focus their attention on and make their starting point the tapping of their potential. It is necessary to really step up the fundamental work of enterprise management, to put economic accounting on a sound basis, to strictly enforce financial and economic discipline, to strengthen supervision of audit, to strictly implement the system of reward and punishment, and to greatly enhance the operation and management level. In particular, it is essential to resolutely straighten out labor discipline and to be resolved to change the backward phenomenon of loose discipline, undefined duties, and slack discipline now seriously existing in many enterprises." We must strive to score achievements in these aspects.

To score marked achievements in economizing on materialized labor and animate labor, we must really improve and step up enterprise management and firmly rely on scientific and technological progress. An important reason for the big waste in our production and construction is backward technology. In this drive of "double increase and double economy," we must attach great importance to relying on scientific and technological progress, turn as soon as possible the achievements in technological transformation and in tackling key scientific and technological problems of the light industry over the past few years into practical productive forces, extensively carry out the mass activities of small transformation, small innovation, and small invention. We must vigorously popularize new technology, adopt new techniques, step up product design work, work hard to study and develop new products whose structure is advanced, new models whose costs are low, and quality good, and stop producing those old products which do not suit the market and whose consumption is big, costs high, and economic results poor. We must also strive to do a good job in digesting and absorbing imported technology, bring forth new ideas, and develop homemade products as quickly as possible in order to economize on the expenditure of the state foreign exchange.

III

It is imperative to firmly link the drive of "double increase and double economy" with the deepening of enterprise reform. We must regard it as our

important guiding ideology. Reform is the direct impetus to increasing production, practicing economy, increasing revenue, and economizing expenditure. Only by deepening reform and firmly linking the drive of "double increase and double economy" with the interests of enterprises and workers can we effectively arouse the initiative of the enterprises and workers, fully tap the potential of all quarters, and achieve the aim of increasing production, practicing economy, increasing revenue, and economizing expenditure. Likewise, only by studying, making arrangements for, and deepening reform in connection with the requirements for "double increase and double economy" can we have a definite and specific target and achieve the aim of further developing productive forces.

Strengthening enterprise vitality is the central link of reform of the economic structure. This year, in addition to resolutely delegating to enterprises the powers which should be seriously delegated to them as stipulated, we must really implement various forms of the system of contracted responsibilities for operation so as to make enterprises really become economic entities which are relatively independent, operate with the initiative in their own hands, and assume sole responsibility for their profits and losses. Some 90 percent of all light industrial enterprises throughout the country are small enterprises. When the system of contracted responsibility for operation and the system of responsibility for operation by lease were implemented on an experimental basis several years ago, the initiative of enterprises, workers, and operators was aroused, production developed, expenditure economized, and good economic results scored. For example, the Third Wooden Product Factory under Tianjin Municipal First Light Industry Bureau was a small factory with some 300 workers. Due to ineffective leadership and bad management, the factory incurred a loss of 300,000 yuan in 1984. Subsequently, Comrade Song Lujin, chairman of the factory trade union (now factory party branch secretary and concurrently deputy factory director), and Liu Lanxiang, head of the Supply and Marketing Division (now factory director), proposed on their own initiative that they would be responsible for operation by contract and resolved to turn from deficits to profits in a year. After they operated by contract, due to the fact that they adopted a series of measures for reform, aroused the initiative of the workers, and improved and stepped up management, the factory made a profit of 300,000 yuan in 1985. They originally planned to make a profit of 600,000 yuan in 1986; they actually earned a profit of 1.3 million yuan and the total amount of taxes and profits reached some 2 million yuan. While the tax paid to the state was increasing by a wide margin, the profits retained by the factory increased and the income of all the factory workers also markedly increased. Thus it could really be said that "once the contract system is implemented, the results are good." This year, we must vigorously implement the system of contracted responsibility for operation and the system of responsibility for operation by lease in many small enterprises and further invigorate the small enterprises. Regarding large and medium-sized enterprises, according to their own different situation, we must implement many forms of the system of contracted responsibility for operation and with the method of signing a contract, clearly provide for the relations between the departments in charge of enterprises (or finance departments) and enterprise operators and workers concerning responsibility, power, and interests. Within an

enterprise, we can also divide its units into small accounting units and implement the system of contracted responsibility at each level so as to fully arouse the enthusiasm of all quarters and to attain the aim of increasing production, practicing economy, increasing revenue, and economizing on expenditure.

In a word, through deepening reform of enterprises, we must stimulate the enthusiasm of the enterprises and workers, tap enterprise potential for increasing production, and stop up the loopholes of waste so as to penetratingly develop the drive of increasing production, practicing economy, increasing revenue, and economizing on expenditure and to guarantee the continuous and stable increase in the national economy as a whole

/6091

CSO: 4005/849

A STUDY OF LEASED OPERATION OF ENTERPRISES

Beijing HONGQI [RED FLAG] in Chinese No 12, 16 Jun 87 pp 16-22

[Roundup; first paragraph is HONGQI introduction]

[Text] Leased operation of small-scale enterprises is a form of operation that separates the ownership of the means of production and the right of operation. In the last few years of carrying out reforms, various areas have carried out beneficial experiments and exploration of this form of operation since these experiments were exploratory, it was appropriate that various methods and understandings be allowed, and that, through practice, positive experiences be gradually accumulated, so that the most suitable form could be chosen from among them. Following are a number of articles reflecting some of the various ideas and methods, and these are provided for everyone's study.

Leased Operation an Important Avenue for Enlivening Small-Scale Enterprises

Ling Fangqiu [8407 2455 6669]

Now, more than 3,000 small-scale state industrial enterprises have implemented leased operation and in general they have all obtained quite good results. The Shenyang vehicle petrol pump factory is a small-scale enterprise and was among the first batch of enterprises leased for independent operation. Since implementing leased operation in 1984, the appearance of the enterprise has seen great changes. In these 3 years, accumulated realized profits have totaled 870,000 yuan, which was the amount of total realized profits of the factory in the 19 years prior to leasing. It has turned in 740,000 yuan in profit tax, which is three times the net value of the fixed assets at the time of leasing. Also, the average annual income of staff and workers has risen from 804 yuan to 1,200 yuan, an increase of close to 50 percent. Within the factory a new combined production and administrative block has been built, the work environment has been improved, and a base has been laid for carrying out technical transformation and expanding production. Why is it that leased operation has been able to obtain quite good results?

1. The implementation of leased operation of small-scale enterprises is beneficial to realizing the separation of the two rights, and making enterprises truly become relatively independent commodity producers. During the

period of lease, the ownership of the means of production does not change. The right to use the means of production and the right to operate the means of production are, through the leasing contract, turned over to the lessees on a compensatory basis, and the state no longer intervenes in the day-to-day production operations activities of the enterprise. The relationship between the enterprise and the responsible department becomes an economic relationship defined by legal means. As long as the enterprise abides by the contract, it will be able to operate legally. This gives the enterprise the right to carry out independent operations and provides conditions by which the enterprise can accord with market changes and carry out flexible decision-making. The relationship between the enterprise and state organs is different from the relationship under the general contract responsibility system, because it is a two-way compensatory contract relationship. The lessor and the lessee both have their own set rights and must carry out certain obligations. If the original responsible department inappropriately interferes in the internal affairs of the enterprise, it must bear a certain economic responsibility for the consequences. This relationship means that the situation whereby enterprises were appendages of responsible departments has been truly changed.

2. It is beneficial to the reform of the enterprises' internal leadership system. The factory director of a leased enterprise is not a "government official" appointed by or sent by the responsible department, but someone who voluntarily comes to the enterprise to work. He uses the means of production in a compensatory manner in accordance with the contract, and at the same time must observe economic obligations and undertake certain responsibilities and certain risks. In a leased enterprise, the factory director naturally is in a central position, and responsibilities, rights, and benefits are quite clear. The responsibilities assumed are not general administrative responsibilities, but the economic responsibilities which should be assumed by the responsible person of an economic entity. With the responsibilities of the lessee and his rights clarified, the division of work and the relationship between the party, the government, and the trade union will naturally be clear. In this way, it will be possible to form, within the enterprise, leadership authority to correctly carry out operational decisionmaking and to raise work efficiency. The fate of an enterprise is the fate of the lessee and the fate of all staff and workers. The relationship of common interest more closely links up the operator and the enterprise and increases the operator's sense of responsibility. They will more deeply love the enterprise, be concerned about the enterprise, run the enterprise better, and carry out the enterprise's operational activities as if they were engaged in a personal matter. This is an important reason for the change since leasing was introduced.

3. It is beneficial to breaking with the two "big pots" and motivating enthusiasm on all sides. The rights, responsibilities, and the obligations between the enterprise and the state and between the enterprise and the responsible organs have been laid down. The enterprise can only rely on its own efforts and must seek to exist and develop in intense competition. In this way we can change the phenomenon of enterprises eating from the "big pot" of the state, and also change the phenomenon of staff and workers eating from

the "big pot" of the enterprise. The lessees have clear economic responsibility, feel a certain pressure, and have a "sense of crisis" and must go all out in operating the enterprise. All staff and workers also have their responsibilities, rights, and obligations as the masters of the enterprise made clear, and have a general feeling of pressure. This is beneficial to stimulating everybody's production enthusiasm. It should be recognized that because of the influence of traditional viewpoints, there may be psychological changes in the minds of the staff and workers and the lessee in a leased enterprise. If the lessee can properly arrange his own position within the enterprise and correctly handle the relationship with the staff and workers, so that the staff and workers concern themselves with the enterprise like the lessee, the enthusiasm and creativity of the staff and workers can be fully brought into play.

The quality of the lessee is the crux of doing well in leased operations. The lessee must have a correct leasing guiding ideology, and be clear about the fact that the aim of leasing operations is to liberate the productive forces and promote the development of production. He must voluntarily place himself under the leadership of the party and the supervision of the masses, correctly implement the party's principles and policies, set an example, consult the vast number of staff and workers, and rely on the masses. He must also pay great attention to doing well in distributing the results of labor. Only in this way will he be able to do well in leased operations. If the operators consider themselves as masters and only seek personal interests, it will violate our aim of running socialist enterprises, the potential of the masses will not be brought into play, and the purpose of leased operations will be defeated by the intensity of the various contradictions.

Close cooperation between the lessors and the lessees is the guarantee of doing well in leased operations. The lessor should create beneficial conditions for the operational activities by the lessees and support them in reforms. The lessee should consciously observe the contractual stipulations, avoid or correct short-term activities, and make decisions and engage in operations which are in the long-term interests of the enterprise and the state. If the lessor intervenes excessively in the day-to-day operational activities of the enterprise, or if the lessee only seeks short-term personal or enterprise interests and is unconcerned about long-term interests, leased operations will inevitably fail and come to an end.

The Various Forms of Leased Operations

Zheng Li [6774 4539], Liu Zhaonian [0491 0340 1628], and Xiao Wentong [5135 2429 6639]

Leased operation is in general suitable for medium- and small-scale enterprises. We believe that in accordance with the different situations of enterprises, we should adopt different forms of leased operations.

1. The individual form of leased operation. The lessee is an individual, and the individual undertakes to assume responsibility to the state for the

profits or losses of the enterprise's operations. Individual leasing envisions three different situations: 1) There is individual leasing and collective operation. Its characteristics are: An individual signs a leasing contract with the responsible organ for the state enterprise and the individual takes on responsibility for profits and losses, while relying on the whole body of staff and workers to carry out operations management. The staff and workers, with their status of being masters, participate in the decisionmaking in respect to operational activities and exercise supervision over the lessee's activities. In this operational form, the enterprise is responsible for its own profits or losses, there is distribution according to labor, and the income of the lessee and that of the staff and workers are closely linked up with the operational results of the enterprise. The various economic relationships they manifest in terms of production, management, and allocation are in fact not greatly different from those of nonleased enterprises. 2) There is individual leasing and individual operation. An individual signs a leasing contract with the responsible organ for the state enterprise and the enterprise is independently operated by this person or his family. Apart from carrying out certain obligations to the state in accordance with the contract, all the operational activities will be carried out by the lessee or his family members. This operational form has the nature of individual operations. 3) There is individual leasing and operation by employees of the individual. An individual signs a leasing contract with the responsible organ for the state enterprise, the individual takes responsibility for profits or losses, and the staff and workers are hired by the lessee. The lessee has the power to determine the income of the staff and workers and to determine, in accordance with the operational situation of the enterprise, whether workers should be dismissed or retained. The relationship between the lessee and the staff and workers of the enterprise is an employment relationship, but the means of production remain state-owned.

2. The partnership form of leased operation. Two or more lessees jointly sign a leasing contract with the responsible organ for the state enterprise and jointly take responsibility for the enterprise's profits or losses. Three situations are also envisioned in this operational form. 1) Partnership leasing and joint operation by the partners. For example, some small commercial or service enterprises can be leased to several persons or more than 10 persons, and then they will jointly engage in operational activities and take joint responsibility for the results subsequent to leasing. 2) Partnership leasing and collective operation. The partners sign a leasing contract with the state and take responsibility for the profits or losses of the enterprise. However, production operations of the enterprise continue to be carried out by the whole body of staff and workers in the enterprise. They have the power to exercise supervision over the management activities of the partners. The operational right of the partners with regard to the enterprise will be mainly manifested in organizational and management work. 3) Partnership leasing and operation by employees of the partners. The partners sign a leasing contract with the responsible organ for the state enterprise, and production operations and activities are carried out by employees of the partners. The partners take on joint responsibility for the enterprise's profits or losses. The methods and nature of this form are similar to those of the form whereby there is individual leasing and operation by employees of an individual.

3. The collective form of leased operation. The factory director (or manager), who is selected by the workers congress of the enterprise or a general meeting of all staff and workers, signs a leasing contract as the representative of the whole body of staff and workers. The lessee is the whole body of staff and workers and they take joint responsibility for the enterprise's profits or losses. In this situation, the relationship between the staff and workers of the enterprise and the factory director (manager) is a relationship of equality between comrades. The staff and workers of the enterprise can, through various forms, exercise democratic management of the enterprise, provide ideas when major decisions with regard to production operations are made, and exercise supervision over the operational activities of the factory. They can also, through the staff and workers congress or general meeting of all staff and workers, dismiss the factory director (manager) at any time. The enterprise is responsible for its own profits or losses and arranges distribution in accordance with labor performed. If profits increase, the amounts received by the staff and workers will increase. If profits decrease, or losses are incurred, the staff and workers will get less or nothing at all, and may even have to make up for the losses incurred.

The adoption of the various leasing forms by enterprises can lead to various changes in economic relationships. Also, the capacity of lessees and their methods in dealing with post-leasing consequences differ. In general, with the adoption of the partnership leasing form, the capacity of the lessees to bear economic crises is greater than that of an individual lessee, while the collective lessee's capacity is even greater. Partnership leasing and collective leasing can quite easily overcome the negative factors brought by ownership changes resulting from a change of operational forms. We feel that since commercial and service enterprises are in general of quite small scale, and operations are flexible, apart from a small number of quite large enterprises which can use the collective leasing form, we can adopt the individual or partnership form of leased operation in a majority of cases. The scale of industrial enterprises is larger than that of commercial and service enterprises, and in general they are not suited to general adoption of the individual form of leased operation. This is because, on the one hand, the capacity of the lessees to bear risks is limited and this is not beneficial to the maintenance of the lessor's interests. On the other hand, although the economic interests of enterprises are directly linked with the interests of the lessee, they are not directly linked with the interests of the staff and workers. If allocations are not appropriate and the difference between the personal income of the lessee and the income of the staff and workers of the enterprise is too great, it will affect the enthusiasm of the staff and workers. At the same time, if an industrial enterprise is given over to individual operation, the lessee during the period of lease will most likely give most thought to his immediate interests and little thought to long-term interests. This will not be beneficial to expanding reproduction. If we are to adopt the individual leasing form, the best way would be to have individual leasing and collective operation. If we are to adopt the partnership form of leased operation, then we could more generally adopt the form of partnership leasing and collective operation. If an industrial enterprise is to adopt the collective form of leased operation, it would be beneficial

to correctly handle the benefits relationship between the state, the enterprise, the operators, and the staff and workers, and in motivating the enthusiasm of the staff and workers, so that immediate interests and long-term interests are combined.

In Leased Operations What Is the Relationship Between the Lessees and the Staff and Workers of the Enterprise?

Xiao Liang [2556 0081]

The practice of economic structural reform in the last few years has shown that leased operation is an effective avenue for increasing enterprises' vigor and for improving enterprises' economic results. Leased operation of small-scale state enterprises and collectively owned enterprises can strengthen the operator's responsibility, is convenient and simple, and is quite easy to implement.

A major reason leased operations can obtain such good results is that between the owners of the means of production and the enterprise laborers, there appears an individual or collective lessee who functions as an operations manager. Thus, while there is no change in the ownership of the means of production, the right of operation is clearly transferred into the hands of the lessee. This realizes quite well the separation of government and enterprise functions and the close combination of responsibilities, rights, and benefits, and motivates quite well the enthusiasm of the operators, including the whole body of staff and workers. In short, it plays a role in readjusting production relations and in making the entrepreneur (the lessee) more prominent. Everybody knows that under the old system, regardless of whether we speak of whole-people ownership enterprises or collective ownership enterprises and regardless of whether the factory director (manager) was appointed by the upper-level responsible organ or the enterprises, or the enterprise leaders were democratically elected by the masses of staff and workers, ownership and operational rights were actually exercised by one entity. With the implementation of leased operations, the situation whereby ownership and operational rights were exercised by one entity changed to where they were exercised by two entities. Ownership and operational rights were truly separated, and changes also occurred in terms of distribution relations. This was because in a situation where leased operations were implemented, the enterprise lessees were the enterprise operators. The two "big pots" were completely smashed, and the lessees' fates were tightly bound with the fate of the enterprise. Thus they could not but carry out drastic reforms to smooth the various internal relationships of the enterprise and tap the internal potential of the enterprise.

Under conditions of leased operations, the relationship between the lessee and the staff and workers of the enterprise is one whereby the lessees, having leased the publicly owned means of production, is interposed between the owners and the laborers. Because the status of the lessees is diverse, the relationships between them and the staff and workers are also diverse.

First, the relationship between the lessees and the staff and workers is a relationship between operators and owners. The lessee of an enterprise is the operator of the enterprise, while the staff and workers are the owners of the publicly owned means of production. They are the masters of the enterprises. However, the staff and workers of a whole-people ownership enterprise are only the owners of the means of production in a general sense, not an entity which directly exercises ownership rights. Saying that they are owners in a general sense means that their position as masters cannot be changed in any way by the implementation of the leased operation in the enterprise. In the enterprise, they still have the power to exercise their right as masters, to exercise supervision of the operational activities of the lessee, and to guarantee the implementation of the principles and policies of the party and the state. The lessee must respect these rights of theirs. It is said that they do not directly exercise leadership rights because in a situation whereby the whole-people ownership system has adopted the socialist state ownership form, the only entities which can exercise the power of ownership are the responsible government departments. Ideas of the staff and workers on major issues concerning the enterprise can only be manifested through the responsible departments or reflected through organizations of the staff and workers themselves (such as trade unions or workers congresses) to the lessee, or through representations made to the lessee. In collective ownership enterprises the situation is about the same. This is one type of relationship. Second, the relationship between the lessee and the staff and workers of an enterprise is also a relationship between commanders and laborers. When an enterprise is leased, the lessees obtain the power to operate the enterprise. They also become the natural leaders, the commanders of the enterprise, and all the operational activities of the enterprise become the complete responsibility of the lessees. However, the relationship between the staff and workers of an enterprise and the lessees is naturally also a relationship between general laborers and the operators or commanders. It is a relationship of the leader and the led. In day-to-day production operations, staff and workers must respect labor discipline and accord with the operator's commands. When staff and workers have ideas, they should present them in accordance with the organizational system and must not engage in anarchism. Of course, the operator, as the enterprise's lessee, should, in order to motivate the staff and workers' enthusiasm, travel the mass road and listen to the ideas of the staff and workers. The difference between this relationship and that in enterprises which are not leased lies only in the following: In a leased enterprise, the position of the enterprise operators or leaders is obtained through the leasing of operations; they are not appointed by upper levels or elected by the staff and workers. In addition, in state enterprises which have not implemented leasing, the relationship between staff and workers and the enterprise leader manifests in a certain sense the relationship between laborers and the state. However, in an enterprise with leased operations, the relationship between staff and workers and the enterprise leaders is purely a relationship between laborers and operators or commanders.

In day-to-day economic activities, the relationship between the leaders and the staff and workers of an enterprise is a relationship of coordinated division of work between leaders. Their operational activities are productive

labor, which is also complex labor. In the overall labor of enterprises, the only difference between operators and staff and workers is only that they perform different functions. These different functions are reflected in the overall labor. Invariably a small number of persons will exercise directive functions related to overall labor, and the other persons only will exercise functions related to partial activities. These are differences in division of work, but they are still equal and they should coordinate and help each other and coordinate in running the enterprise well.

As to the relationship which comes into being between the lessor and the lessee when leased operation is implemented, it is an agreed-upon relationship of complete equality, not a relationship between upper and lower levels. The lessor, who directly exercises the ownership of the means of production, hands over the right to operate the enterprise to the lessee. The lessee obtains the right to operate the enterprise only after paying a certain amount of rent of fulfilling certain contractual conditions. This is in essence a commodity relationship. However, because what the lessee leases is the means of production and not the staff and workers, the lessor at the time of leasing the enterprise must adopt a responsible attitude with regard to the staff and workers of the enterprise. Thus, when he signs the agreement or contract with the lessee, the lessor must not only, on the precondition of adhering to state policies and laws, clearly lay down specific stipulations in respect to labor times, wages, and conditions and livelihood welfare of the enterprise's staff and workers, but when deciding on the lessee and determining the lease conditions, the due rights of the workers must be respected and the ideas of the staff and workers congress must be given full consideration. Only in this way will it be possible to handle well the relationship between the lessor, the lessee, and the staff and workers of the enterprise.

The Object of Leased Operations Is the Enterprise

Ji Zhaoquan [4764 0034 0356]

In the process of industrial enterprises implementing leased operations, people have put forward the question: What is the object of leased operations? On this question, theoretical circles are not very much in agreement. Some hold that the object of leased operations is the right of operation of the enterprise, and others hold that the object of leased operations is the enterprise's fixed assets. I believe that neither of these ideas is correct. In the view that regards the right of operation as the object of leased operations, there are two questions which are not explained well: Can "right" be transferred? Can "right" be measured? We believe that what is often referred to as right of operation in fact refers to the right of control within the limits of responsibility, that is, it is authority. Authority has no value, and thus it cannot be expressed in terms of money or given a price. Things without a price are difficult to measure. Therefore, regardless of whether we look in qualitative or quantitative terms, the enterprises' operational right cannot be the object of lease.

The view that holds that the object of leased operation is the enterprise's fixed assets does not differentiate between traditional leasing and current leased operations. Leasing is a historical phenomenon and the object of lease is a historical category. Different historical periods have different leasing activities. In a slave society, a slave owner could lease any slaves under his ownership to other people for their use; in a feudal society, a landlord could lease the land he owned to peasants to have it tilled; in a capitalist society a capitalist can lease out his privately owned means of production; and so on. Historically leasing activities can generally be divided into two types: One type is service leasing, and the other is financial leasing. The object of the former is labor service, while the object of the latter is concrete tangible things. To regard the fixed assets of an enterprise as the object of a leased operation is to regard a leased operation as a traditional financial lease.

Currently leased operations in our country are a socialist form of enterprise operation which has developed on the basis of service leasing and financial leasing. Its leasing object is not an individual specific tangible thing, but rather the overall enterprise. That is, the owners lease out the overall enterprise as a commodity. This type of leasing has the following characteristics.

1. It is not a single object being leased out, but a system. Leasing is an objective economic process. This process is closely linked with commodities. Commodities have value and use value. There is a multiplicity of types of commodities and their use values are not the same. Some commodities have a very short use period (such as bread) and can only be sold once. Other commodities have a quite long use period (such as housing and similar commodities) and can be sold piecemeal, gradually realizing their exchange value. This economic process of piecemeal sale of the use value of a commodity so as to gradually realize its value without changing its ownership is what we often refer to as traditional leasing. This is just as Engels said: "With regard to durable goods it is possible to sell their use value piecemeal, setting a fixed period for each sale, that is, for leasing their use value." ("Selected Works of Marx and Engels," Vol 2, p 532) The object of this lease is in general an individual, specific, tangible thing such as a camera, a car, a machine tool, a house and so on. However, leased operation is not the same. What we now refer to as leased operation is an operational form which organically combines the leasing mechanism and socialist enterprise management. This process involves not only "leasing" but also "operations." It organically combines "leasing" and "operations" into one entity. Therefore, the object of this type of leasing is not a single, concrete tangible thing, but a system which can carry out production and operational activities. This system includes hard resources (such as equipment, factory buildings, and so on) and soft resources (such as reputation, trademarks, geographical environment, operational situation, and so on). Under socialist conditions, labor is not a commodity, and staff and workers cannot be the object of leasing. Between the enterprise and the laborers, a labor contract system should be adopted, and in distribution there should be rewards in accordance with labor performed. Of course, the quality of the staff and workers will directly affect the economic results of enterprises, and therefore in the leasing process, the effects of this quality must be considered.

2. The thing being leased is not a dead thing but an economic entity brimming with vigor and vitality. The objects of traditional leasing are individual, specific, tangible things, and in general they are devoid of life. In the process of their use, they are gradually worn away and do not grow. However, enterprises which are the object of leased operation are not like this. An enterprise is an economic entity. It can carry out commodity production and operational activities. In its production and operational activities, the enterprise must not only be responsible for its own operations and responsible for its own profits or losses, satisfy social demands, and obtain profits, but through production and operational activities, it must realize self-transformation and self-development.

The rent for leasing an enterprise and that for traditional leasing is different. Because, in traditional leasing the object is an individual, specific, tangible thing. In the process of production, its value will gradually transfer to the product and become part of its commodity value. Therefore, every time it is leased, the value of an object of lease depreciates a little. Because the amount of rent and the value of the object of lease are directly related, the rent obtained from the object of traditional leasing, in the process of many periods of leasing, would tend to decrease progressively. Leased operation enterprises are different. When enterprises implement leased operations, in the process of being leased many times, not only must they recover the investment of the enterprise, obtain investment benefits, and accumulate wealth for the state, but each time the operations are leased out, the lessor generally requires that the lessee, during the period of lease carries out technical transformation, expands the scale of enterprise production and forms new production capacity. When the lease contract is completed, in general the value of the enterprise's assets will be greater than the original value. Thus, when an enterprise is leased out many times, the amount of rent will gradually increase and not decrease, indicating a progressive growth.

Deciding that the object of leased operation is the enterprise is consistent with the goals of national economic structural reforms. Whether or not the enthusiasm, initiative, and creativity of the enterprise operator and the vast numbers of staff and workers can be brought into play is a key question in our nation's economic development and in increasing state financial income. If we are to have socialism with Chinese characteristics, we must first have socialism whose enterprises are full of vigor. Leased operation is a new form of socialist enterprise operation. The aim of this form of operation is to inject vigor and vitality into enterprises. Its point of focus is not to "enliven" specific things, but to enliven entire enterprises.

/6091

CSO: 4005/854

WE HOPE TO SEE A MORE LIVELY 'INVESTIGATION REPORTS' COLUMN

Beijing HONGQI [RED FLAG] in Chinese No 12, 16 Jun 87 p 22

[Letter to the editor by Li Biyan [2621 4310 3508] of the Municipal Government Office of Yueyang in Henan]

[Text] I have read, sometimes repeatedly, articles of the "Investigation Reports" column in HONGQI. The articles mostly derive lessons of general significance from the experience of a locality, department, or specific task, and answer pressing questions which arise in practical struggles and which must be promptly resolved. The articles have greatly enlightened me.

I propose several ways to make this column better and more lively:

1. Topics discussed should be wide-ranging. They should include topics on economic construction, social development undertakings, agriculture, commerce, industry, military affairs, education, culture, and various other professions and fields.
2. There should be novelty in form. Investigation reports should be based on facts. Moreover, "facts and reasoning should complement each other, just as the human body must have enough of both blood and flesh." They should not be limited and restrained by any set patterns. I think in dealing with the relationship between "facts" and "arguments," investigation reports in HONGQI tend to stress arguments. There is also a lack of variety of form. It seems that innovations should be introduced in this respect.
3. The language should be lively. Investigation reports are relatively closely related to daily life. In describing facts, one should strive to be concise and specific, and make descriptions visible, tangible, vivid, lifelike, sincere, and impressive. Arguments and reasoning must be concise, easily understood, and in popular language and plain style.
4. Priority must be given to lower levels among the ranges of things for selection. In selecting investigation reports, the editing comrades must take note of reports from both above and below the provincial level. They must pay attention to both well-known "celebrities" and obscure "nonentities." I sincerely hope to read in HONGQI larger numbers of investigation reports which come from the foremost fronts and which are lively and not restricted by a single set pattern.

/6091

CSO: 4005/854

LOSE NO TIME IN LEADING STUDENTS TO STUDY MARXISM

Beijing HONGQI [RED FLAG] in Chinese No 12, 16 Jun 87 pp 23-25

[Article by Lin Ke [2651 0344], secretary of Fudan University CPC Committee]

[Text] Over the past few months, many students in this university have seriously carried out self-examination: Why were last year's student demonstrations unpopular? Why should the upholding of the four cardinal principles be the foundation of establishing and administering the country? Why should reform and opening up be led by the CPC? Why cannot capitalism work in China? One student said: "The 3-day campus unrest has given me enough food for thought for 3 years." After self-examination, many students realized that they had a poor understanding of China's national conditions, a "deficiency of oxygen" theoretically, and a shaky foundation of Marxism. As a result, the students had an eager desire to study Marxist theory. Many party constitution study groups worked out plans for studying the works of Marx and Lenin. The university CYL committee especially organized guidance lectures on the works of Marx and Lenin. More than 3,000 people in the university took part in the drive to acquire Marxist and Leninist knowledge. More than 1,000 party members studied in the evening party school. The "Political Salon" which behaved radically during the student demonstrations changed its name to the "Society for Studying the Works of Marx and Lenin." The society systematically studied Marxist theory and planned to conduct a survey of the development of the old liberated areas by following the Long March route of the Red Army at their own expense to acquire an understanding of the road traversed in Chinese revolution.

The remarkable change among students is gratifying.

A review of the student demonstrations shows that the problems among students are indicated in the following two aspects: First, they lack an understanding of China's national conditions and have made mistakes in observing problems and second, they have blindly worshipped the philosophical and social science viewpoints of the West and have drawn a wrong conclusion. While summing up his personal experience and the lesson he learned, a student who wrote the big character poster entitled "Ten Major Defects in China's Political System" during the student demonstrations said: We took part in the political reform symposiums last summer. At the symposiums, some people consciously or unconsciously portrayed the political system of the Western capitalist countries

as the only superior system for reference. It had a bad effect on the young students who had seen little of the world, who did not understand their national conditions, and who lacked correct theoretical guidance. Consequently, I wrote that erroneous big character poster. Recently, this student conducted investigations in society, acquired some understanding of the essence of China's social and political systems, and enhanced his confidence in socialism. Meanwhile, he studied Lenin's expositions on bourgeois democracy and reform of state organs in connection with China's actual reality and said: "I feel sober-minded now."

The university students of this generation have grown up in a special environment. The majority of them were born in the turbulent years of the "Great Cultural Revolution." At the time when they became aware of things, the party was setting things to rights and summing up its experience. As a result, they heard of the mistakes in our work, read a lot of "wounded literature," and realized from foreign economic and cultural exchanges the gap between China and the developed countries. This special environment has created large numbers of university students with distinctive merits and also shortcomings and weak points which must not be ignored. The students are ideologically keen and diligent in thinking. They are concerned with reform and have an earnest desire to revitalize China. Having a thirst for knowledge, they wish to develop in an all-round way and be valued by society. The majority of them ardently love the socialist motherland, support party leadership, and are willing to accept Marxism and Leninism. We must fully affirm this main trend which is in step with the times. Meanwhile, we must be aware that while the world outlook of the students is taking shape, they lack practical experience. Although they dare to make explorations and are active in thinking, sometimes they cannot distinguish right from wrong. Owing to their negligence in taking precautions against capitalist ideas, they are easily affected and misled by the views abroad which are outwardly "fashionable" but actually outmoded and erroneous. Although they are sensitive to social phenomena, they usually cannot discern the essence of the problems and are prone to making judgments in light of their perceptual knowledge. Although they support reform and are against the practice of sticking to old ways and the unhealthy tendency in society and within the party, they easily go to extremes, treat problems in an oversimplified manner, divorce themselves from practice, and are impatient for success. Although they want to stand on their own feet and free themselves from being dependent on others, they always overestimate themselves and adopt a nihilist attitude toward history. Although they thirst for a new life, they lack the ideological preparation of starting an undertaking through arduous effort. These shortcomings have made university students an easy target for influence by bourgeois liberalization. They also constitute the internal reason for the demonstrations launched by a handful of students in some cities at the end of last year. However, their strong points also show that they can be molded. They can grow up healthily so long as we give them correct guidance. A piece of green stone, when carved and polished, becomes a fine jade ornament. In a sense, the students are like the green stone and our task is to carve and polish them into fine jade ornaments.

It is an extremely important and urgent task for party organizations at all levels of universities and colleges to educate students in Marxism. Although the demonstrations have calmed down and the students' minds are generally at rest, the problems concerning ideological understanding exposed in the student demonstrations are not yet thoroughly solved. For example, how should we look upon the question of democracy and freedom and the difficulties and setbacks encountered in reform? There is still some muddled understanding in this regard. Unless we strengthen the study of Marxism and solve the problems theoretically, students will waver again in future. Naturally, we advocate the study of Marxism not merely for solving the problems exposed in the student demonstrations. Fundamentally speaking, it is an aspect of long-term capital construction to train talented people. Socialist universities and colleges should train qualified personnel for the four modernizations. They should have political, ideological, and cultural qualities. The nature of our country has determined that the qualified personnel we train should uphold a firm political orientation and courageously dedicate themselves to the socialist modernization program. Only with such political and ideological qualities can they have a definite target and real motivity in their study. His time in the university is one in which the world outlook of a student takes shape. During this period, mental improvement and political education will undoubtedly have a great impact on their future achievements and development. As a scientific world outlook and methodology and a science constantly enriched and developed in the advance of history, Marxism will play an important guidance role for the students in acquiring a correct world outlook and outlook on life. Facts have proved that the study of Marxism is an indispensable condition for the healthy growth of young people and a guarantee for them to become people with lofty ideals, moral integrity, better education, and a sense of discipline.

Although our students have received Marxist education from childhood, the theoretical foundation of Marxism and Leninism is weak among many of them. Although some have read the works of Marx and Lenin, they cannot apply the Marxist stand, viewpoint, and method to analyze and study China's practical problems. Moreover, a handful of students have even taken a skeptical attitude toward Marxism. Through a self-examination concerning the student demonstrations, some students have realized the harm caused by their negligence in studying Marxist basic theory in the past. One student said: "Although I did not study the works of Marx and Lenin in the past, I volubly criticized Marxism and Leninism. When I look back on what I did, it is really ridiculous." A trend of enthusiastically studying Marxism has emerged among the students. It is a good phenomenon. Some students "were urged to study" in the past. Now they "want to study." A person will eagerly wish to master the technique of swimming when he is choked by water. The students who received education in practice will eagerly study Marxist basic theory and achieve fruitful results. We should seize the opportune moment and vigorously guide the students in upgrading their Marxist and Leninist theoretical level. So long as we present the facts, reason things out, persevere, give guidance meticulously, and conscientiously improve the teaching of Marxist theory, I believe the vast numbers of students will gradually approach and accept Marxism. Those who took a skeptical attitude toward Marxism in the past will also change their attitude through their own exploration, comparison, and selection.

We encourage students to intensively read some works of Marx and Lenin and learn how to apply Marxist basic principles and methods to observe, analyze, and solve problems. As our society is an open one, the study of Marxist theory should also be an open rather than a closed one. With the implementation of the open policy, large numbers of Western philosophical and social scientific trends and schools of thought will also be introduced. Some of them may be good for reference, while some may be erroneous. To study under such an environment, many students will inevitably compare Marxism with the Western theories and trends. If we are afraid of such comparison and evade it and even try to stop the students from having contact with external trends, it will be disadvantageous to educating and guiding students. As a matter of fact, it would also be impossible to do so. As a scientific truth, Marxism exists in comparison with non-Marxism of every description and has constantly developed in the struggles against non-Marxist trends. We firmly believe that Marxism can meet the challenge of various non-Marxist trends and schools of thought and win in the long run. For this reason, while organizing the students in studying Marxism, we critically introduced some representative Western trends of philosophy and social science, such as Sartre's existentialism, Freud's psychoanalysis, and Nietzsche's superman philosophy. We pointed out their rational and positive components as well as their limitations, one-sidedness, and reactionary nature. We achieved good results in guiding the students in studying through comparison and enhancing their understanding of Marxism.

Marxism is a science closely related to practice. To acquire a genuine understanding of Marxism, it is necessary to study it in connection with the actual reality. To solve the question among some students who look down upon practice and are not willing to integrate theory with practice, to encourage them to acquire a profound understanding of Marxism through going deep into the realities of life and getting in touch with the workers and peasants, and to increase their ability to apply Marxism to solve various practical problems, we have intentionally made use of teaching practice, the winter vacation, and after class hours to organize students to take part in social investigation, work-study programs, and consultative services so that they can extensively understand the conditions of the state and people, the tremendous successes achieved in all fields since the 3d Plenary Session of the 11th CPC Central Committee, and how our party has upheld and developed Marxism in recent years. We can thus help university students correctly understand the close relations between upholding the four cardinal principles and adhering to the general principle and policy of reform, opening up, and economic invigoration and enhance their sense of historical mission and social responsibility for the four modernizations. I believe that a generation of young Marxists will grow up gradually in this process.

Under given conditions, Mao Zedong once said, bad things can be turned into good ones. It is a bad thing for students to launch demonstrations. Nevertheless, it can also be turned into a good thing provided our students correctly understand society, analyze themselves, assiduously study Marxism, and become mature quickly through serious introspection after the demonstrations. I believe our university students are capable of doing so. The

departments concerned of the university should organize and guide the students, give full play to the role of teachers of Marxist theory and social sciences, earnestly improve the teaching of political theory, and go among the students and give them guidance in theoretical study. We will certainly achieve fruitful results so long as we persist in doing so.

/6091

CSO: 4005/849

TALK ON TRADITION AND REFORM

Beijing HONGQI [RED FLAG] in Chinese No 12, 16 Jun 87 pp 26-30

[Article by Wang Xingguo [3769 5281 0948]]

[Text] In history, any truly significant reform must break and remove antiquated traditions, succeed superior traditions, and establish new traditions. Reform in a socialist society is naturally not an exception. In recent years in the process of our enforcing reform, we have frequently met with the problem of how to correctly understand and treat tradition. Here, I wish to express some views on the relations between tradition and reform from a philosophical angle.

Scope and Structure of Tradition

For a prolonged period, when talking about tradition, people have frequently restricted it to the upper structure and to ideas and thoughts, and when discussing how to deal with tradition, reference has usually been made to traditions in the spheres of politics, ideologies, and culture. In my opinion, this interpretation is one-sided. It fails to notice that in the economic foundation and in material production sectors there do definitely exist various forms of traditions. Marx and Engels have written about the "ownership system of tradition" ("Selected Works of Marx and Engels," Vol 1, p 271) and so forth. They clearly show that tradition has a spiritual as well as a material side and, furthermore, that it is precisely the material side of tradition that determines its spiritual side. This is because the material side is of a primary nature whereas the spiritual side is a reflection of objective existence. Things that do not exist objectively cannot be reflected in any way by thought. Take for example the "small-scale production" concept we now customarily criticize: If this traditional form of small-scale production did not have a prolonged existence in history, where would the traditional concept of small-scale production come from?

Traditions in the various sectors or aspects of social life do not exist by themselves. On the contrary, they are mutually related, restrict and restrain each other, and form an organic body. Taking a look at society, it can be found that traditions are divided into four large strata. The first stratum, which is also the most basic, is tradition on the side of productive forces, such as traditional production tools, technologies, and

so forth. The second stratum consists of the various traditions of production relations such as the traditional ownership system, traditional forms of distribution, exchange, and consumption, and so forth. State production relations are always built on the foundation of stated or definite productive forces. The third stratum consists of the various traditions of the political upper structure; these traditions are under the control of the economic foundation. The fourth stratum consists of the various traditions of the stature of social psychology and social ideology. They are both determined by the economic foundation and are restricted by the political upper structure. Naturally, we stress the relationship of determining and being determined by the different strata of traditions, and we definitely do not refute the reciprocal roles played by them. Knowing that among the different strata of traditions there exist the relationship of determining and being determined as well as the relationship of reciprocal roles, we shall come to know that in order to truly eradicate and abandon outdated and backward traditions, it is necessary not only to penetratingly criticize them both in ideas and in theory but to also break and remove them from the economic foundation and pay due notice to developing productive forces. In real life we have come across a certain contradiction. Some comrades may, on the one hand, deeply express views on eradicating the traditional concept of small-scale production, but on the other hand, when talking about the development of a commodity economy, they will be deeply concerned, fearful of all possible consequences. Such a situation illustrates that these comrades are still shackled by the traditional ideas of "stressing the capital but ignoring the interest" and "stressing agriculture and ignoring commerce"; they are unaware of the great promotional role that can be played by developing productive forces to overcome traditional ideas.

Not only do social traditions consist of stages in structure but also traditions of each and every sector likewise consist of stages in their composition. Take for example traditions in the upper structure; there are traditions on the side of systems as well as traditions on the side of concepts and work style. How are the traditions of these different sides related to each other? According to Marxism, the upper structure may be subdivided into a political upper structure and an ideological upper structure. Regarding their creation, both are based on the economic foundation and are determined and restricted by the economic foundation, however, as for their reciprocal relations, a definite political upper structure--that is the various kinds of concrete political structures and systems--is also a definite ideological upper structure--that is, formed under the guidance of definite theories and viewpoints. Yet, upon their being finally established, they can form a kind of objective strength and revert to influence people's ideas.

In actual practice, we frequently see a certain traditional system forming under the guidance of a certain traditional concept; this traditional system can revert to and strengthen people's traditional concepts. Between them, they are frequently cause and effect. Hence in the course of reform, first, it is naturally necessary in theory to break and remove all traditional concepts not in conformity with reality, and in actual practice it is necessary to grasp the key point of the traditional structure or system and carry out the reform systematically. If the certain outdated structure or system is not

reformed, then it will be impossible to thoroughly break and remove traditional concepts and poor work style. In the leadership structure of our party and government organs and the various enterprise units, because we did not have rigid administrative rules or the individual responsibility system for a long time, an extremely bureaucratic work style has developed such as procrastination, inefficiency, irresponsibility, failure to keep one's word, documents making the rounds, and reciprocal shirking of responsibilities, it has also produced such ill winds as abuse of special rights and privileges. For this reason, Comrade Deng Xiaoping has said: "Our various errors in the past were naturally related to the ideas and work style of certain leadership people but of greater importance were the problems of organizational and work systems. In this regard, a good system can render a bad element incapable of wrongdoing but a poor system can make a good element unable to do good deeds and even make it proceed to the opposite end." He further pointed out that in comparison with ideology and work style "problems of the leadership system and organizational system carry the nature of being basic, having a bearing on the whole situation, being stabilized and lasting for a prolonged period." ("Selected Works of Deng Xiaoping," p 293) By the above analysis, we can see that among the various traditions of the upper structure, the basic structural relations are: The traditional system and its form are generated under the guidance of traditional concepts but the traditional system and its form revert to and further strengthen traditional concepts. Of the two, the system and structure occupy the position of making arrangements and decisions. An understanding of this point will make us appreciate why in guiding the various reforms in our country the CPC Central Committee has from the beginning placed structural and system reform as its top priority.

Dual Character of Tradition

The so-called dual character of tradition refers to that in a certain special stage of social development; tradition as an integrated body (that is, the sum total of the various traditions in a society's historical stages), like any other matters, can be subjected to analysis. Naturally, the analysis may be many-sided. For example, on the politics side we may analyze whether or not it has a class character; on the value side we can discuss whether it is superior or inferior; on the role and functional side we can examine whether it is progressive or backward; and so on. This dual character can be found in the traditions of any nation or people. Take our country for example. On the one hand, the prolonged rule under a feudalist dictatorship has given our traditional culture many feudal characteristics, some of which have asserted their influence up to the present and have become impediments in the course of our socialist modernization. On the other hand, we cannot but see that history, after all, is man's creation. Naturally, there are many reasons why the Chinese race is among the world's few peoples who have not been disintegrated by outside enemies or broken up by internal discord; it has stood from the beginning as a great people of the world. Nevertheless, this is inseparable from the fact that the long-term and painful hardships and steeling of the people have formed for them certain superior traditions. For example, in politics stress is laid on the unity and unification of the country and people; in philosophy emphasis is placed on a realistic attitude and a modest dialectical ideology; in morality priority is given to ideals

and to harmonious man-to-man relations; and so on. All these are the superior traditions that have objectively existed. Moreover, take for example the traditions of the Western countries: On the one hand, as pointed out in the "Decision of the CPC Central Committee on the Guidelines for the Establishment of a Socialist Spiritual Civilization": "In mankind's history, the struggles of the newly rising capitalist class and working people against the feudal dictatorship system and the formation of the concepts of democracy, freedom, equality, and universal love constitute a great liberation of the human spirit." But on the other hand, we cannot but see that the democracy, freedom, equality, and universal love practiced by the capitalist class greatly reflect the limitations of the era and class elements.

In short, be it Western cultural tradition or our country's cultural tradition, we should treat it with a dialectical analytical attitude, and there cannot be any simplifying. Unfortunately, in real life, certain people have precisely suffered from this drawback of simplification. It is frequently manifested in two extremes. One is to not differentiate between good and bad or the essence and the dross and just treat all traditional culture with affirmation and praise. The other is to lightly treat traditional culture and take an attitude of full refutation against it. For some time in the past, the latter extreme was more prevalent in society. Holders of this attitude are of the opinion that since traditional culture has been an immense burden for us to carry into the 21st century, "all-round judgment" against it should be given. And since traditional culture has fared so poorly, what should be the way out? The answer is naturally "wholesale Westernization." This invariably is the conclusion reached by people holding the above-mentioned attitude. Thus, we have before us on the one hand "all-round judgment" and on the other hand "wholesale Westernization," and both sides seem to be absolutely sure of themselves. Nevertheless, regarding the numerous structures and facilities which have long attested to the traditional civilization of the Chinese people, can they be written off by a mere judgment? The vast accumulations of traditional classics recording the results of research work in natural and social sciences undertaken by our people of the older generation, can they be wholly disregarded following a "judgment"? Moreover, can we easily do away with our traditional technologies, traditional medicine, and all valuable articles in the form of traditional artcraft? As for traditions in psychology, customs, practices, and so forth while exist among our vast masses and which can truly manifest the character and special features of the Chinese race, they cannot be so easily and simply criticized, judged against, and negated. So-called "wholesale Westernization" means that we must move over to all Western things. Does this mean that we must also move over to the capitalist system and the political system of the West? Shall we move over to the different religions and materialistic concepts of diversified forms and shapes that are prevalent there? Must we all be "converted" to the rotten things of the capitalist class including the taking of narcotics, prostitution, and so forth? It can thus be seen that such absolute theorems such as "all-round judgment" and "wholesale Westernization" cannot work in actual practice nor can they be justified.

When talking about the drawbacks of the May 4th New Cultural Movement, Comrade Mao Zedong pointed out that at that time many leaders did not possess the critical spirit of Marxism and the methods they employed were mostly those used by the capitalist class, that is, formalism. They opposed the old method of essay writing and also opposed old doctrines; they advocated science and democracy, all quite correctly. But regarding the current situation, history, and foreign things, they did not possess the historical materialistic critical spirit. So-called bad was absolutely bad and everything bad, while so-called good was absolutely good and everything good. Our regret is that even after Marxism was introduced in China over 70 years ago and even after socialism has been early established, there are still people who continue to commit the errors of this type of formalism regardless of whether they are dealing with the traditional culture of their own people or with foreign culture. Adopting an attitude of nihilism can only lead to blind worship of capitalist culture and to advocating the capitalist road. Under socialist conditions, the criteria for differentiating whether tradition is progressive or backward or superior or inferior cannot be built on the likes or dislikes of individuals or a small number of people, they should be based on whether or not they are beneficial to the establishment of socialist material and spiritual civilizations, to the consolidation and development of the socialist economic foundation, and to promoting the progress and elevation of productive forces. We should firmly and resolutely push forward and disseminate the progressive traditions that are suited to the economic foundation and can promote the development of productive forces. We should without hesitation disband and reform the antiquated and rotten traditions that are impediments to the development of the economic foundation and of productive forces. This is the only correct attitude of Marxism toward tradition.

Continuity and Noncontinuity of Traditions

Marxism holds that the development of all things in the world is the unity of opposites in continuity and noncontinuity, or the unity of opposites of being relatively static and having absolute movement. So-called continuity refers to things maintaining a kind of trend without changing their regularity in quality, and tradition is just a relatively concentrated reflection of such a trend. Engels said: "Tradition is a kind of an enormous impeding force and is history's inertia." ("Selected Works of Marx and Engels," Vol 3, p 402) Although these words refer to antiquated traditions, we cannot but acknowledge that relative stability, or laziness to a certain extent, is the common property possessed by all traditions. We must not, when we come across such words as "stability" and "inertia," come to the conclusion that they are bad things. The problem lies in whether or not this stability and inertia conforms with the needs of development. According to the viewpoint of a dialectical method, absolute movement is contained in a relatively static state and movement is always a certain thing's movement. A certain thing has become the certain thing because it possesses a special and regulated quality different from other things. If this regulated character of quality is maintained and does not change, it is a manifestation of a relatively static state. Things cannot exist if there is no relatively static state nor relative stability in quality; in such a case far less can

we talk about knowing and differentiating things and hence all movements lose their objective basis. Precisely because of this, materialist dialectics have highly commented on the role that a static state plays in the development of things and believe that it is the basic condition for mankind to know things and differentiate things. In this regard, tradition has more or less the same functions. This is because certain traditions to correctly reflect quality and provide important bases for our knowing things and differentiating things. For example, Comrade Mao Zedong took the three great work styles (namely, superior traditions) of theory's liaison with reality, intimate liaison with the populace, and criticism and self-criticism as the most obvious marks distinguishing the CPC from all other nonproletarian political parties. Under the new historical conditions, the CPC Central Committee has repeatedly emphasized the restoration and display of these superior traditions precisely for the purposes of maintaining the character of our Marxist political party and enabling it to better lead the various races and nationalities of our country to struggle for the realization of the four modernizations.

However, because of internal conflicts of things opposing and struggling against each other, the static state cannot forever exist and will inevitably be converted to one of noncontinuity. This conversion is equivalent to negation and to revolution or reform. From this it can be seen that just like the inevitability of the existence of traditions, the appearance of reform is similarly inevitable and is a sort of refutation in varying degrees of traditions. We say "in varying degrees" because our current reform is basically different in character from the overthrowing of one class by another class. It is, under the precondition of a firm insistence on a basic socialist system, enforcing reform on the links and sides that do not conform with the development of productive forces in production relations and in the upper structures; that is, effecting certain qualitative changes in the course of gross quantitative changes in the development of things. Similarly, this type of refutation is not refutation in metaphysics but refutation in dialectics. It is only refuting things that should be refuted but retaining those things that should be retained. Since all new things are conceived and grow in the maternal bodies of old things, they necessarily must absorb from the maternal bodies certain constituent elements of nutritional value (including certain traditions) and obtain therefrom a certain hereditary character. Nevertheless, new things are new things precisely because of their character of "variability"; that is, possessing a new quality different from the old. The hereditary character liaises between old things and new things and the character of variability in turn differentiates between them. So-called hereditary character is succession while so-called variability is criticism and creating something new. These two sides cannot be dispensed with in the course of our reform.

Correctly understanding and handling the relationship of dialectical unity of the continuity and noncontinuity of traditions is a theoretical basis for the principles of "criticism and succession, pushing out the old and bringing in the new" and "old things for modern use and foreign things for Chinese use." Actual practices have shown that this is the only correct principle for treating the national culture and foreign culture. In the

course of building socialism with Chinese characteristics, we must similarly insist firmly on this principle. Speaking from the method of thinking, the generation of the erroneous trends in treating traditional culture and culture from the outside is precisely because of the unawareness of the dialectical relations between the continuity character and noncontinuity character of traditions. Very likely those committing the errors have seen only the continuity character of traditions and failed to see the non-continuity character of traditions. Hence they know only succession and not the creation of something new. Alternately, they have seen only the side of the continuity character of traditions but failed to see the side of their continuity character and hence adopt an attitude of nihilism and full-scale refutation vis-a-vis traditions.

At present, the central task of the whole party and people of the entire country is to realize a Chinese-style socialist modernization. For this reason we must, on the one hand, earnestly study and introduce the advanced sciences and technologies of all the developed countries and, on the other hand, earnestly succeed and carry on the original superior traditions of our people. However, this studying and succeeding is inseparable from criticism and creating something new. If we only talk about following the people's traditions and do not follow the demands of the development of modern science and technology to create something new then there will hardly be any socialist modernization to speak of. If we only talk about studying and introducing foreign advanced sciences and technologies and do not create something new through integrating our country's national conditions with the people's traditions, there will be no construction of a socialism with Chinese characteristics to speak of. Succession and criticism, learning and creating something new, are the two sides that supplement each other, and we must correctly handle, and handle well, the relations between these two sides. Furthermore, we must find the converging point between them. Only by so doing can the building of a socialism with Chinese characteristics benefit. This is an extremely arduous task but also a task that must be solved.

/6091

CS0: 4005/854

JOTTINGS WRITTEN AFTER READING 'THE THIRD WAVE'--ALSO COMMENTING ON 'COMMENTS ON "THE THIRD WAVE"' AND 'A BIG LEVER'

Beijing HONGQI [RED FLAG] in Chinese No 12, 16 Jun 87 pp 30-34

[Article by Tian Sen [3944 2773]]

[Text] In recent years, I taught at several universities and sometimes lived for a certain period of time in a students' dormitory. Thus, I had the chance to meet many young friends. Because I could closely associate with them, I was considerably enlightened by them. I enjoyed great pleasure and really felt that "one would not become old when one always mixes with young people." In talking freely with young friends in various localities, I discovered that young people have been considerably influenced by Alvin Toffler's book "The Third Wave." This aroused many associations and deep thoughts in my mind.

I remember that about 4 years ago, Lu-si Shi-mi-si [7216 4828 0670 1378 2448], an activist in the international communist movement and a faithful friend of the Chinese people, suggested that I read "The Third Wave." Later, I read an edition of the book published in New York and repeatedly discussed it enthusiastically with Comrade Shi-mi-si. I can now still remember many profound views she expressed. Shi-mi-si deeply loves and fully understands Chinese youths. She was seized by worry when she learned about the influence of "The Third Wave" on them. In one of our discussions, she suddenly stood up and said with strong emotion: "I really worry about its possible pernicious influence on Chinese youths' ideology." I will never forget her solemn countenance at that time. Though she was over 90, she conscientiously wrote some notes to criticize Toffler. Her keen political thinking and spirit of scrupulous exploration left an exceedingly deep impression on me.

In my view, Toffler's "The Third Wave" essentially represents a history of social development written according to his viewpoints. He uses his own world outlook to review man's history, study today's world, and pray for the future. His basic viewpoints differ vastly from Marxist ones and we must not agree to them. Frankly speaking, this book cannot be regarded as a serious academic work. It is merely an eclectic's collection of reading notes. It has had some influence abroad, but surely not as powerful as according to certain comments.

Toffler uses the romanticist term "three waves" to casually negate the Marxist theory on forms of society. His classification obliterates the nature of society and changes in interpersonal relations. It cannot scientifically reveal man's past, present, and future. Although in examining today's world Toffler does enumerate 10 major contradictions of capitalist society, he precisely ignores the irreconcilable contradiction between the socialization of production and the private ownership of the means of production. His book does criticize the evils of capitalism, but his attacks on socialism are more prominent and appear up to as many as 60 times in his book. To him, socialism and capitalism are facing similar crises. He at least treats capitalism and socialism as equally bad. To defend the capitalist system, he vigorously propagates the "theory of the decisive importance of technology" or the "theory of the rule of science and technology." It can be said that this is a "great invention" of Western sociologists in the realm of theory. They stress that "scientific and technological progress draws all developed countries, irrespective of their social and political systems, into the process of industrialization." Toffler holds the same view. To him, what promotes social progress is the so-called "superstruggle" between the two waves of civilization, a struggle beyond class struggle. He preaches that scientific and technological progress can resolve various contradictions of the capitalist system, and can even make the capitalist and socialist systems "converge." Thus, the question of "which triumphs over the other" will disappear and give way to the unification of the two. Toffler also envisions a "good new society," where decadence will give way to new life. However, his "good new society" will not be communism, because he thinks that communism is merely a beautiful illusion. The future that he envisions is a so-called "practopia" which cannot be realized in practice. It appears that under the condition that capitalist private ownership is preserved, scientific and technological revolution alone can resolve all contradictions and bring about a marvelous society where mankind can achieve all-round development. To Marxists like us, this is really an illusion. In Toffler's book the most elaborate discussion is about "the third wave" or the so-called "information society." He painstakingly describes various changes in a so-called "information society," but dares not touch on their effects on ownership under monopoly capitalism. In another book, however, he says: "It is wrong to concentrate our attention on ownership." (Footnote 1) ("Previews and Premises," 1st edition published by International Cultural Publishing Company in 1984, p 107) Toffler deeply resents the Marxists' discussion of ownership, and even says that "leftists are always obsessed by the question of property (ownership), but often fail to understand the essence of this problem." (Footnote 2) (Ibid., p 104) What is then the essence? In his view, it concerns who makes major decisions. He says: "Decisionmaking and management powers will become more important than ownership right." (Footnote 3) (Ibid., p 106) Actually, however, not only can the capitalists reap without sowing by handing over decisionmaking and management powers to the managers and separating these powers from ownership rights, but they can also reap greater profits by employing specialists to carry out operation and management. Can anyone say this is not a more sophisticated method of exploitation? How can one say on these grounds that the question of ownership is meaningless, and utter the reproach: "Leftists are obsessed with ownership"? Toffler also suggests that in future society "nations and states should transfer some

decisionmaking powers to new transnational agencies." (Footnote 4) ("Previews and Premises," pp 102-103) What an idea of "transfer"! This reveals that the beautiful "practopia" he envisions actually amounts to an ideal realm of the monopolistic bourgeoisie's transnational companies. According to his book, with the appearance of the so-called "information society," it will no longer be possible to own private property. His bizarre arguments fully reveal that he spares no pains in defending capitalist private ownership. Though the capitalist world is afflicted with economic recessions, though the working people are increasingly more badly hurt by unemployment, inflation, racial conflicts, and great disparity between the rich and the poor, and though crimes continue to be rampant and people lack a sense of security, Toffler ignores all this and argues against reason that the capitalist world is not experiencing recessions, but is awaiting the coming of a good new society. He even refuses to admit objective facts like economic recessions repeatedly published in U.S. newspapers and magazines. Why? Might he be more optimistic than everyone else? No! We know that Toffler started his career as a journalist, and that he had been an associate editor of the magazine FORTUNE and a consultant of the U.S. IBM Company and Rockefeller Foundation. His profession determines his particular stand, according to which he reviews man's past, strives to help perpetuate today's capitalist world, and prays for the coming of the future "practopia" he envisions. Toffler is more sophisticated than other defenders of capitalism in that he wantonly attempts to use various new scientific and technological achievements to justify his revelation of an enchanting picture of the future to the public of the Western world, thus diverting their attention from various contradictions of capitalism which are difficult to resolve, so that the capitalist system can be defended. Thus, he is highly capable of deceiving people and we must guard against his deception by keeping ourselves sober.

Toffler's success in becoming famous in the West is not accidental, but is a necessary reflection of the social trend of thought in the West. The capitalist system invariably needs its own defenders to mend its fences in different ways in different periods. However, Toffler's efforts will probably fail. Not only is it impossible to realize his overall design of the future, but even some of his specific tentative ideas may not be practicable. For example, in vigorously discussing the "electronic family" and "working at home," he probably errs by considering things in absolute terms. It is difficult to imagine that an electronic family could produce a satellite. His conjectures on certain social phenomena, for example, his prediction that the youth of the West will develop a zeal for oriental religions, reflect an even more serious lack of a scientific basis. In our view, with the continuous development of society and further development of science and technology, the number of atheists will keep on increasing while followers of religions will keep on decreasing. Moreover, the youth of the future may not necessarily pursue oriental religions.

Of course, we should also affirm anything in Toffler's book which is useful as a reference. Toffler puts forth many bold tentative ideas on the role of scientific and technological revolution on social development, which are useful to our thinking. He supplies a great deal of information which we can profitably use as a reference in our policy formulation. Some of his

tentative ideas are of significance to our current socialist modernization; for example, we may consider his suggestion that a developing nation can select one or several well-developed items from those categories of new technology in today's world which are undergoing breakthroughs or will soon undergo breakthroughs, on the basis of compatibility with the nation's existing material and technological foundation, for the sake of bridging the gap between today and tomorrow. Although Toffler harbors no faith in communism, he after all has confidence in man's future and does not believe in the pessimists' view that mankind will soon face annihilation. He strives to lead people to have faith in the future. His exposure of the evils of capitalism also objectively helps depict a not too rosy picture of capitalism.

In short, Toffler's book poses an open challenge to Marxism. In the face of this challenge, have not some of our young friends who understand little about Marxism, including some postgraduate students, lost their bearings and maintained that communism is a "beautiful fantasy"? A postgraduate student at a unit claimed that "Marxism is outdated and Toffler's ideas about the third wave are most correct." How can this serious ideological confusion not arouse tremendous concern? At a seminar organized by the board of editors of the Contemporary Series of Books on Sociology, Comrade Ai-po-si-tan [1947 3380 2448 0982], an old friend of the Chinese people, made a good point: "Marx died long ago and cannot come out to defend his own views. Today, as members of a later generation, we should come out boldly to help him." It goes without saying that true Marxists will never advocate quoting nothing but Marx' words to defend his theory. Instead, we must creatively develop Marxism in the light of the new situation and circumstances. Whatever new circumstances may appear, the view that communism will surely triumph over capitalism will always be valid. Of course, the communist movement is undergoing practice and the communist society can be realized only through the continuous efforts of many generations. However, it will undoubtedly replace the capitalist system, just as capitalism has replaced feudalism.

It is true that currently capitalism is more advanced than us in production, but the future will be a different picture. Our socialism is still very young, and when it grows up, it will be very difficult for capitalism, which will be beset with maladies, to vie with it. If we learn to view questions in the light of the development of things, we will not be misled by Western futurists like Toffler.

Everyone knows that man's history is like a long river which rolls on unceasingly, and nothing in the world, including society, can remain unchanged forever. Therefore, continuous reforms represent an irresistible trend and necessary course of historical development. We think that the socialist system excels in many ways, but the existing system also has many defects, and this is closely related to the fact that after all socialism is a new thing. Marx and Engels published "The Communist Manifesto" only 129 years ago, and merely 70 years have elapsed since the working class began to assume political power. These are merely very short spans in the long course of history. Therefore, we can say socialism is still very young and a

lack of maturity in many arenas is understandable. It is a pressing need to reform the existing system so as to continually perfect it. The capitalist system has many serious defects which are difficult to overcome. However, its management methods are in some ways more scientific than ours. After all, people have been working under it over several centuries and there are things that we should learn. We oppose mechanically copying the experience of the West, but on the other hand we advocate learning from others' strong points in exploring an appropriate path for China's development of socialism. We believe that continuous reform and perfection will enable socialism to develop, grow strong, race ahead of capitalism, and finally triumph over it. We must not agree to Toffler's view that "both capitalism and socialism are but errors of the times." (Footnote 5) (Ibid., p 108) In a Marxist's view, only the "practopia" that Toffler envisions represents a fantasy that can never be realized.

According to some sources, "The Third Wave" sells very well in China. People naturally want to know why it does. There are many reasons. In the final analysis, however, it is because we segregated China from the outside world for many years and young people have had few contacts with Western culture. Since the opening of China, numerous different things have rushed in, which are too dazzling and difficult to tackle all at once, so that selection is inevitably affected. Moreover, because the "gang of four" practiced a policy of cultural confinement, young people's normal desire for understanding the future was not satisfied, and Toffler's "The Third Wave" has apparently filled this void in the realm of mental needs.

To help our young friends correctly and deeply understand this book, I suggest that they read "Comments on 'The Third Wave,'" compiled by Comrade Gao Fang under an agreement with the publisher of the Modern Man's Series of Books. (Footnote 6) (Published by Guangming Ribao Publishing House) In my view, the writer's criticisms of "The Third Wave" are realistic and unemotional and evil practices like sticking labels and coming down with the big stick are altogether absent. This very attitude of scientific examination deserves praise. In this 210,000-character work, the writer gives an account of Toffler's life, scientifically analyzes the world outlook and methodology employed in "The Third Wave," appropriately criticizes the book's views on capitalism and socialism and their future, and points out its distorted views on Marxism and certain Marxists. Moreover, the writer includes in the book summaries of speeches delivered at academic seminars on "The Third Wave," so that readers can understand various views. The writer also makes a special effort to translate anything in "The Third Wave" which is omitted in the Chinese rendition. The writer answers according to the Marxist stand the crucial question of where scientific and technological progress will lead society to and puts forth some constructive views on how we should rouse ourselves to catch up in the realm of science and technology. The book is a fascinating good book with rigorous arguments and a fluent style.

Aside from realistically evaluating "The Third Wave," another good method of eliminating the undesirable influence of the book is to organize Chinese sociologists to write larger numbers of better works in which Marxist viewpoints are employed. I recommend to the reader a book written by Chinese

scholars called "A Big Lever." (Footnote 7) (Chief editors: Huang Shunji and Li Qingzhen; published by Shandong University Press)

Why is this book called "A Big Lever"? The reason is that as early as more than 100 years ago, Engels said: "Division of labor, the use of water power, particularly steam power, and the use of machinery are the three great levers by which industry has rocked the foundation of the old world since the mid-18th century." (Footnote 8) ("Collected Works of Marx and Engels," Vol 2, p 300) It was this ideological giant who for the first time raised the enormous role of technology to the high plane of social lever.

Technology is indeed a wonderful lever. It occupies an extremely important place in the main artery of society (science-technology-economy-society). Technology can be said to be a central link in this main artery. It plays an enormous role in promoting economic development and quickening social progress. In the main artery of contemporary society, the creation, development, and application of new and advanced technology depends to an increasing extent on major scientific breakthroughs. Scientific revolution is now the precursor of technological revolution.

The writer says: "If technology is society's lever, then economy is the fulcrum of this technology lever. The lever cannot play its role without the fulcrum. The storm of new technological progress was formed in the developed nations. It originated in the United States, where excellent economic conditions constituted a precondition for technological development."

The writer also says: "Technological progress requires appropriate social soil. Many categories of contemporary new technology, like nuclear, computer, and space technology, began to blossom in the developed countries, particularly postwar United States. U.S. social conditions for technological development are typical."

A series of shock waves of new technological revolution is engulfing the whole world. Its penetrative fronts are too powerful to resist. It will undoubtedly bring the whole world into a new, exceedingly intense global competition. In the face of this severe challenge, we need not take a path that others have taken. We should advance along a quicker path. We must never work according to set rules and ape others at every step, because this will only land us in a miserable situation of forever crawling behind others. We must grasp the excellent opportunity of the new technological revolution and face the challenge. The writer not only vividly reveals to his readers a thrilling future, but also proposes some strategic measures for tackling this new technological revolution. I think the book's contents are relatively realistic and people should read it.

Mao Zedong correctly said that only by comparing can one distinguish. I hope those young friends who have read "The Third Wave" can also spare some time to read "A Big Lever" where they can learn many things not found in Toffler.

Cultural exchanges should take place between East and West. The policy of confinement is wrong. We have suffered a great deal from the effects of

"confinement." At the same time, we also oppose taking in foreign things without digesting them and attaching excessive importance to foreign things at the expense of our national things. In dealing with foreign things, we should learn some things and discard others according to propriety. We must never regard all foreign things as the correct standards to follow and blindly imitate them, and thus prostrate ourselves before Toffler's "The Third Wave." Worshipping foreign things and inappropriately negating ourselves are like twins. Today, when pluralistic cultural thinking is making an impact, we should be brave enough to negate backward things in our traditional culture. Obstinate adherence to backward things is certainly not an enterprising attitude. However, it is equally necessary to have sufficient confidence in upholding the fine aspects of our traditional culture and to carry them forward. If a nation disparages its own culture, how can it talk about self-confidence? A nation that loses its self-confidence will also lose motivation for progress, and this is really dreadful to contemplate.

/6091

CSO: 4005/849

AN INTERVIEW WITH NOTED NATIONAL GO CHESS CHAMPION NIE WEIPING

Beijing HONGQI [RED FLAG] in Chinese No 12, 16 Jun 87 pp 35-37

[Article by Yang Rupeng [2799 1172 7720] and Guo Jinping [6753 2516 1627]]

[Text] We will finally attain success if we make unceasing efforts to improve ourselves and persist in our goals. To be successful, we should have a persisting spirit! -- Nie Weiping [5119 5898 1627]

On an early summer day, we interviewed the noted go chess champion Nie Weiping, Luo Jianwen [5012 1696 2429], the coach, and Hua Yigang [5478 0110 0474], the leader of the Chinese go chess team, in the east room of the Beijing Coliseum.

Sitting before us, Nie Weiping was very calm and humble, and was completely different from the "prestigious and awe-inspiring" and "powerful and dominant," "rigorous winner Nie" in the Sino-Japanese go chess tournament.

We conveyed to him and the Chinese go chess team the best regards and wishes from the masses of readers. Nie Weiping replied with a humble and sincere smile, "I would like the party journal to convey our sincere thanks to the public. We will try our best and will continue to strive for success. I would also like to take this opportunity to share with the young people my experiences and ideas."

"Please tell us, how did you achieve success? Young people nowadays are very eager to become successful early. Your experience will surely be beneficial to them."

"How can one become a useful person and achieve success in his career? Many young people have asked me this question. At the very beginning I was not clear about this. Later on, when I had been asked the same question so many times, I began to think about it."

While Nie Weiping was pondering this question, Hua Yigang said: "Weiping is already one of the super-first class go chess players. He has made special contributions to our country's go chess cause. He has many good points from which young people and we should learn."

Nie Weiping lit a cigarette and said: "I have summarized my principles into three points: One should have a clear and definite goal and should not lose one's spirit; one should concentrate on attaining the goal; and one should not be afraid of setbacks and should be persistent in pursuing his goals."

Having self-confidence and a correct target to strive for is the first essential condition that an excellent go chess player should have. Nie said: "We are not living in isolation in the world. Everyone's career is related to the country's and the people's benefits. The first question that everyone should consider is whether his ideals, targets, career and achievements are beneficial to the country and the people." He recalled: "I have liked playing go chess since I was a small child, and I have known that it is the essence of Chinese culture. However, we lagged behind other countries in this regard in the last hundred years. In 1960, Marshal Chen Yi put forward to Chinese go chess players that our go chess cause should 'catch up with Japan in 10 years.' When I was 10 years old, Marshal Chen invited me to play go chess. He taught and guided me cordially and told me to study go chess diligently so that I could defeat the Japanese ninth grade players in the future. I resolved to realize the old revolutionary's long-cherished wish, and began to have the strong desire to overtake and surpass Japan and to gain glory for our country."

"Along with the target, we are also striving for a temperament. Marshal Chen said: 'We can lose the go chess game but we must not lose our spirit.' In order to be successful, we should have 'spirit.' This spirit is awe-inspiring righteousness, desire and self-confidence, and is also a type of invincible psychological spirit. We must have such spirit in doing whatever we do." He paused a moment, then said: "Go chess is a battle of wits. The Chinese people's intelligence is not below that of foreigners. If we think that we are not as intelligent as foreigners and are inferior to the Japanese and cannot catch up with them, then we have lost self-confidence and the spirit that we should have. If that is the case we really cannot catch up with Japan. If we are swayed by considerations of gains and losses, too much concern about personal rewards, and have too many distracting thoughts in ordinary times and if we cannot calm down and are too nervous at the tournament and at critical times, we in fact do not have sufficient 'spirit.' In the previous two Sino-Japanese go chess tournaments, when I was the last one left on our team, I did not lose confidence. After a severe struggle, our team finally turned danger into safety and won the victory. Spirit and self-confidence undoubtedly played a very important role in this."

Those who do not know go chess think that playing the game is a very easy and gentle type of entertainment. In fact, it is a unity of art and science, and is a confrontation and competition between the intelligence and skill of the two sides. In order to become an excellent player, one should have a target to strive for, and should have confidence in achieving the target. At the same time, we should also master superb skills and techniques. Our aspirations and self-confidence are not blind words, and we are not overweening and do not toot our own horns. Our desire and self-confidence are built on a reliable and strictly scientific basis. Nie Weiping said with deep feeling: "Where do the skills and technique come from? We can only

acquire them by studying diligently, by repeated practice, by concentrating our minds on the struggle and by summing up the experiences and skills. Some young people have blind faith in talent and think that people who do not have talent will not succeed. I don't think this way. A genius is only someone who is better off than others in terms of talent, and is more intelligent than others. In fact, only 10 to 20 percent--at most 30 percent--of an individual's success is attributable to his talent; his success is mainly attributable to his own effort. When everyone has a similar level of talent, studying diligently is the decisive factor for success. If one does not study diligently and does not put forth effort, even if he has talent he cannot succeed."

Nie Weiping spoke with fervor and assurance about his experiences. "Some of my brothers and my go chess friends have more talent than I. Why haven't they become famous in go chess? Because of their laziness. These years I have been studying hard and have been insisting on practicing more, watching more, and listening more. The period from 1972 to 1975 was my most assiduous period of learning go chess. In this period, Premier Zhou approved and Vice Premier Deng Xiaoping supported the reestablishment of the national go chess training team. During the training period, we stayed in the Workers' Stadium and had to have three or four training games a week. Ordinary players felt very tired, but I felt that three or four games a week were far fewer than I needed. I spent all my free time playing and studying go chess. When there was someone who was willing to play with me, I could play from morning till late night. I am sure that the number of games that I played in this period exceeds the total number of games played by any three members of the team. I did not go home on Saturday nights. On Sunday, I went home only for lunch and then rushed back to the stadium. This way of learning and studying with utmost effort was not a waste. My go chess skill improved quickly. In recent years, I have not studied as hard as before. However, I still play a lot of go chess and read many chess manuals. I also pay much attention to learning the good points of Chinese and excellent foreign players and make my own innovations. Thus, it is not difficult for me to detect and to understand the subtleties behind go chess theory through the intricate and ever-changing games. In these ways I have acquired go chess skill and also strengthened my confidence and assurance in winning the tournament."

Yes, it is true that plum blossoms grow under difficult and cold conditions. One can be successful only if he can overcome his weaknesses and bravely overcome the difficulties and hardships other people fear. After hearing what Nie Weiping has said, can those young people who have blind faith in talent and are not willing to practice hard grasp the "knack of success"?

Nie Weiping's road to success was not a smooth and easy one. He experienced adverse circumstances and suffered from various kinds of difficulties and failures. He also knew deep sadness and sorrow, and was disturbed and harassed. During the early period of the "Cultural Revolution," he was recategorized from the "five red categories" into one of the "dogs" and suffered a lot from hard living conditions and bitterness in human relationships. Later, he was sent to a farm in the northeast to perform labor. He endured untold sufferings in having "a lower status than others" for several

years. In 1974, he was "politically evaluated" as unqualified and was not allowed to visit Japan. He also experienced untold setbacks and failures in tournaments. In 1980, he lost five successive rounds and could not become one of the top six in the national individual go chess tournament held at Leshan, Sichuan. In 1982, he was defeated over and over by new players in several local tournaments. In the last several years he lost eight or nine rounds to the top Japanese players. In one tournament alone, held during his visit to Japan in 1984, he lost five rounds. Recalling this experience, Nie Weiping said emotionally: "That was a very painful period for me, a time when the conditions for learning go chess were extremely difficult. At a time when I should have won I was finally defeated by my opponents. However, I did not lose heart and was not depressed. The adverse circumstances steeled my will and stimulated my spirit of struggle. Every setback and every failure in the competitions was a good lesson for me. I summarized and learned the experiences and lessons of the tournaments, and found out the causes of failure--my technique was not tough enough and my spirit was not high enough. Then, I zeroed in on these causes and readjusted and improved them. Finally, I saw hope and thus my will to succeed was strengthened. In the long practice periods I realized a principle: It is not a bad thing for a person to experience adverse circumstances and to have setbacks. Whatever one is doing, if one wants to be successful and make breakthroughs, one should not only have superb skill and ability, but should also have strong will, fine moral character, and fine psychological qualities."

At this point, Luo Jianwen and Hua Yigang, who are very firm and steady, interrupted the conversation and said: "Now, Nie Weiping has strength and a reputation in go chess. The most important reasons for this are that he has a strong desire to surpass the foreign advanced level, and that he has exerted much more effort than others, and has exerted this effort persistently. Moreover, we also should see that his success cannot be separated from our superior socialist system. The present generation of go chess players does not have to pay its instructors. When we teach them, we teach them all we know without reservation. This is totally because we are motivated by our sense of responsibility and by our devotion to our careers, and we are working hard for the targets of developing China's go chess and strengthening China. Without collective wisdom and joint efforts, it would be impossible for us to realize this important target. We have been living together with Weiping for many years and we understand him. On the one hand, he learns modestly from excellent Chinese and foreign players. On the other hand, he does not hold back his skill. He always instructs and criticizes frankly the inadequacies of new players and students. Before tournaments, we collectively prepare chess manuals and talk together again and again. We draw on collective wisdom, absorb all useful ideas, and try to make the players understand their responsibilities so as to strengthen their confidence in winning the tournaments. Practice has proven that this is an effective method. This method, however, is only applicable in socialist countries."

"These are very brilliant ideas." Nie Weiping became excited and continued: "This is what Marshal Chen meant by 'when the country is prospering, go chess also prospers.' Go chess is a civilized and graceful activity. Our country's

history shows that when society is stable and the country is wealthy and strong, go chess also prospers. The growth of the go chess players and the emergence of various types of capable persons cannot be separated from society. In advanced capitalist countries, living standards are high and competition is very keen. These conditions are advantageous to the development of go chess. We have to learn their advanced chess skill. However, foreign chess players study go chess diligently only for their personal fame and benefit. This intention, to a certain extent, hinders development of go chess. In this respect we have an advantage, as we develop go chess only to serve the people and socialism. At present, we have the concern of the old revolutionaries and the leaders of various levels, and we also have the encouragement and support of the masses in the audience. Moreover, we have a stable and united political situation. As a result, economic construction is developing rapidly day by day and the people's material as well as cultural living standards are gradually improving. These circumstances have provided the fundamental guarantee to go chess and other sports. It is not easy for us to have this excellent situation and we should cherish it."

Nie Weiping lit another cigarette and said with deep feeling: "Young people nowadays want to succeed. This is good. However, some young people are not very clear about how they can become successful persons. Some young people feel that the aim of strengthening China has 'nothing to do with them' and they try to 'design their own paths to success' by themselves and hope to 'achieve success by themselves.' When things do not turn out as they wish, they blame everyone and everything but themselves and their minds are full of grievances, feelings that 'they have the ability but do not have the opportunity to use it.' There are also some people who think all foreign things are good, that China is not good in this aspect and it is also very weak in that aspect. What they are after are comfortable personal lives and the modernization of their own households. How can they become successful people this way? We admit that we are rather backward in some areas. However, we must not forget that we are advanced in many fields. In our present backward areas, I believe, we can catch up with and surpass foreign countries if we work hard for several years, several decades, or longer. The masses of young people should look ahead to the motherland's future and its hopes, and should take the mission of strengthening China as their own responsibility. Everyone should start working hard now. It is impossible to rely only on Nie Weiping to develop go chess and to catch up with and surpass Japan. Spring is not spring at all if there is only one flower. A real spring is when there are many beautiful and colorful flowers in the garden. We should also hold to this principle in carrying out our four modernizations. Our country can be prosperous and young people can become successful persons earlier only if all of us take action and play our proper roles now for the purpose of strengthening China."

Self-confidence, hard working, magnanimity, and tenacity are Nie Weiping's traits. He relates his personal fate closely and firmly with the fate of the country and the nation. This is precisely the spirit of marching and advancing that we need in this era. His path to success augurs well for the future development of China's go chess and stimulates and encourages people on various fronts to fully give their hearts and efforts to the country. Dearest young friends, what have you learned from the success of Nie Weiping? How will you lead your lives?

EXPOSITIONS ON SEVERAL IMPORTANT VIEWS IN THE REVISED AND ENLARGED EDITION OF
'BUILDING SOCIALISM WITH CHINESE CHARACTERISTICS'

Beijing HONGQI [RED FLAG] in Chinese No 12, 16 Jun 87 pp 38-42

[Second part of article by the HONGQI Theoretical Education Editorial Office;
capitalized passages published in boldface]

[Text] II. Concerning Adherence to the Four Cardinal Principles and
Opposition to Bourgeois Liberalization

[By Zhao Zhongsan [6392 0112 0005]]

4. "THE CORE OF THE FOUR CARDINAL PRINCIPLES IS THE SOCIALIST SYSTEM AND
LEADERSHIP BY THE PARTY. THESE ARE THE BASES OF THE PRINCIPLES ON WHICH THE
COUNTRY STANDS AND OF THE STRUGGLE TO UNITE THE PEOPLE THROUGHOUT THE
COUNTRY." (Deng Xiaoping: "Building Socialism With Chinese Characteristics,"
revised and enlarged edition, pp 32-33)

This important thought has been put forward by Comrade Deng Xiaoping in the
course of deeply studying China's reality. It is the crystallization of the
basic experiences of the Chinese revolution and construction. In recent
years in society there has appeared an ideological tendency to doubt or
oppose the four cardinal principles. Directed at this ideological trend,
Comrade Deng Xiaoping has repeatedly clarified the reasons why it is necessary
to adhere to the four cardinal principles and especially why it is necessary
to adhere to the socialist system and leadership by the party.

Why is the socialist system and leadership by the party the core of the four
cardinal principles, and the bases of the principle on which the country
stands and of the struggle to unite the people throughout the country?

(1) China can only be saved by traveling the socialist road under the
leadership of the Communist Party. "If there were no Communist Party, there
would be no new China." "Only with socialism can China be saved." These
are historical conclusions drawn by the Chinese people from their personal
experiences in the 60-plus years since the May 4th Movement. The more than
100 years of history from the Opium War was a bitter history during which
the Chinese people suffered the oppression and exploitation of imperialism,
feudalism and bureaucratism. In engaging in the Opium War, the Taiping
Tianguo movement, the Sino-French war, the Sino-Japanese war, the 1898
reform movement, the Yihetuan movement and the 1911 revolution, the Chinese

people made great sacrifices, but still could not escape the abyss of suffering. They remained aggressed against, humiliated and trodden on by others. In order to drive out the big powers and revive the country, many people of lofty ideals without fearing hardship or arduousness, sought revolutionary truth and put forward many plans to save the nation. The great revolutionary forerunner Mr Sun Yat-sen wanted to make the country strong and prosperous by developing capitalism. Although the 1911 revolution overthrew the final feudal dynasty, it could not get rid of imperialism or change China's semi-colonial, semifeudal situation. Because of the weakness of the Chinese national bourgeoisie and because the imperialists did not allow capitalism to independently develop in China, China could not travel the capitalist road. After Jiang Jieshi obtained the ruling position, he joined the imperialists and opposed both the communists and the people. He did this for over 20 years, with the result that China ended up in a hopeless situation and the people lived in extreme misery. Harsh historical facts taught the Chinese people that the only way for China was to travel the socialist road under the leadership of the Communist Party. The CPC united hundreds of millions of people to overturn the three big mountains and establish a socialist new China, truly turning the dreamt-about ideals of many patriots into a reality. If China were not under the leadership of the Communist Party and did not engage in socialism, but followed the capitalist road, the chaotic situation of separatist warlord regimes, national divisions and the repeated destruction caused by war would not have ended. Currency inflation, wild speculation and the proliferation of crime would not have changed, and the Chinese people would not have been able to stand up, free themselves and become masters. At present, there are some people who do not consider these facts, are still advocating that China should follow the capitalist road and are negating leadership by the party. If this is not the result of ignorance of history, then they must have ulterior motives.

(2) Without the socialist system and leadership by the party, then we would not have today's prosperity. Comrade Deng Xiaoping has pointed out: "If China did not have the leadership of the party and did not engage in socialism, it would have no future." (Deng Xiaoping: "Building Socialism With Chinese Characteristics," revised and enlarged edition, p 151) If it departs from the socialist system, the Chinese nation will not be able to stand up among the nations of the world. Without the leadership of the CPC modern China would be nothing. Because the socialist system was established under the leadership of the Communist Party, the Chinese nation was revived, enabling China to achieve historically unprecedented unity and strength, to enjoy a high prestige in the world and to play an increasingly decisive role in international affairs. Since the establishment of new China, in a short period of 30 years, progress which old China could not achieve in hundreds or even thousands of years has been achieved. The socialist political system--the people's democratic dictatorship--has enabled the proletariat and the workers to become the masters of the state. The public ownership of the means of production and distribution according to labor, which are practiced by socialism, basically got rid of the economic basis of class oppression and class exploitation, and thus polarization cannot occur. The aim of socialist production is not to benefit a few people, but to continually satisfy the needs of the masses in their material and cultural

lives. The development of the socialist planned commodity economy provides a guarantee for the full and rational use of the personnel, material and financial strengths of the society and the rapid development of the socialist economy. The socialist system determines that our people have common social ideals and common moral standards. These all show the superiorities of the socialist system and these are things the capitalist system cannot compare with. In a short period our party unified the common struggle of the people of all nationalities throughout the country to engage in socialism and establish an independent and fairly complete industrial system and national economic system. Major industrial products have grown several times, 10 times or even tens of times compared with the figures for 1949. We have resolved the problem of food for 1 billion people and the consumption level of the country's inhabitants in 1986 was 23 times that in 1952. It should be recognized that at present in the level of our economic, scientific and technological, and other fields, we still are not as advanced as some capitalist countries. However, this is not the result of the socialist system and leadership by the party. Basically, this is the result of our historical backwardness and the result of imperialism and feudalism. Under the leadership of the Communist Party, through many years of socialist construction, we have already reduced the disparity. Since the founding of the PRC, although in guiding ideology and specific policies we have committed "leftist" mistakes, we have relied on the party and the socialist system and used our own strengths to correct those mistakes. Some people have used this to negate leadership by the party and the socialist system and want to engage in so-called "complete Westernization" and disavow the four cardinal principles. The vast masses of the people must not respond to this.

(3) If there were no socialist system and leadership by the party, there would be no socialist four modernizations. The modernization we are engaged in is socialist modernization. This is different from capitalist modernization. Our short-term goal is to achieve, by the end of the century, a comfortable standard of living. Then, after another 30-50 years, our country will achieve the standard of a middle-level developed country. Our country is still now in the initial stage of socialism and for historical reasons, the level of the forces of production is far lower than that in the developed capitalist countries. Also, the economy is still very backward. In order to achieve the above-mentioned goal we need to carry out reform. If we do not reform, there will be no way forward. Socialist modernization and reform are an unprecedented undertaking and we will come across many new situations and new problems. These will be more complex and more difficult than most people envisage. If we are to overcome these difficulties, then under the leadership of the party, we need to adhere to the socialist system, and under the guidance of Marxism, formulate a line, principles and policies which accord with objective reality, put forward correct, concrete measures for resolving various contradictions and unify the vast masses to carry out long-term, arduous struggle. If we divorce ourselves from the socialist system and the leadership of the party, the cause of socialist modernization will lose its correct orientation forward, its organizers and leaders and will not only result in a hopeless situation, but a return to the old road of semicolonialism and semifeudalism will be inevitable. Modernization requires the training and building up of a large number of cadres who have

both integrity and ability. Adherence to the socialist system and leadership by the party are important standards in the selection of cadres. Comrade Deng Xiaoping pointed out: "It must be repeatedly stressed that our cadre contingent must adhere to the socialist road." ("Selected Works of Deng Xiaoping," p 226) He also said: "Comrade Chen Yun has pointed out that in selecting cadres we should pay attention to both integrity and ability. What is referred to by integrity is the most important criterion and refers to adherence to the socialist road and leadership by the party. Under this precondition the cadre contingent must be made younger, more knowledgeable and more professional, and the promoting and employment of this type of cadre must be systematic. These are good ideas." (Ibid., p 286) If we do not provide a large number of outstanding young and middle-aged cadres, our cause will have no successors. However, if we overlook the basic ideas of adherence to the socialist road and leadership by the party, we will be unable to select a large number of outstanding cadres and there will be no hope for the four modernizations.

In brief, in socialist modernization we must consistently and without fail adhere to the socialist system and leadership by the party. This is the true essence of adherence to the four cardinal principles and is the basis of the struggle to unite the people throughout the country. In construction and reform and in all our work we must consciously adhere to them and seriously implement them.

[By Zhao Zhongsan [6392 0112 0005]]

5. "WE SHOULD REGULARLY USE THE FOUR CARDINAL PRINCIPLES TO EDUCATE PEOPLE." (Deng Xiaoping: "Building Socialism With Chinese Characteristics," revised and enlarged edition, p 158)

This is a consistent idea of Comrade Deng Xiaoping. From the consequences of the national flood of the ideological trend of bourgeois liberalization for a period in the past, and the changes in the "climate" since the struggle to oppose bourgeois liberalization was developed, people can more clearly understand the correctness and importance of this conclusion by Comrade Deng Xiaoping.

The four cardinal principles are the basis of the principles on which the country stands and are our basis in running of the country. They concern the fate and future of the party and state. This is because only if we adhere to the socialist road will we be able to guarantee our nation's socialist nature and guarantee that economic development accords with the interests of the proletariat and the vast number of people. Only if we adhere to leadership by the party will we be able to organize, unify, and educate the people to follow the correct political orientation and carry out modernization with one heart and one mind. Only if we adhere to the people's democratic dictatorship will we be able to guarantee the right of the people to be masters of their own affairs, that the socialist legal system will be perfected, that interference in and damage to socialist construction and reform by various hostile forces will be eliminated and cracked down on, and guarantee stability and unity to speed the pace of

modernization. Only by adhering to Marxism-Leninism-Mao Zedong Thought will we be able to ensure that the socialist cause, leadership by the party, and the building of socialist spiritual civilization have a firm theoretical base, that we correctly recognize the patterns of social development, and that we formulate the line, principles and policies which accord with China's national situation. Thus we need to regularly use the four cardinal principles to educate people so that the vast majority of the members of society understand that for us, the four cardinal principles are, like food and clothing, things we cannot go without even for a short time.

Since the 3d Plenary Session of the 11th CPC Central Committee, Comrade Deng Xiaoping has repeatedly stressed education which gives publicity to the four cardinal principles. This is also a demand put forward by the present situation. First, among cadres and the masses and especially among young people, there are many people who lack an understanding of the importance of the four cardinal principles. Because they have no personal experience of the difficult times in the old society, they are not really able to compare new China with old China or to compare socialism with capitalism. Thus, they do not have a deep understanding of the CPC's leadership or the socialist system, and they are very susceptible to the influence of the ideological trend of bourgeois liberalization. Second, seen from the international environment, some forces in capitalist countries are constantly hoping that our socialist system can change to what they call a "free system." Some ideas coming from Taiwan and Hong Kong also oppose our four cardinal principles and they use every opportunity to spread moods among our people which perpetrate a lack of confidence. Third, in engaging in socialist modernization we must all along adhere to the policy of opening to the outside, and in this process it is inevitable that there will be some accompanying negative factors. It is possible that various types of decadent bourgeois ideology will invade and attack, corrupting those people who do not have firm will, thereby causing them to doubt or waver with respect to the four cardinal principles. Facts in the last few years have proven that if we do not proceed from these actual situations both abroad and at home, persist in carrying out education on the four cardinal principles, and oppose the ideological trend of bourgeois liberalization, then our modernization, reform, and opening up will not be able to be carried out smoothly.

For a period in the past, although Comrade Deng Xiaoping provided repeated warnings, a few of our leading comrades did not take a clear-cut stand, their attitude was not firm and they did not carry out an arduous struggle against some words and actions which openly opposed the four cardinal principles. This led to the ideological trend of bourgeois liberalization becoming stronger and stronger. A very small number of party members used all sorts of ideological positions, including newspapers, published materials, forums, conferences, symposiums, and even commemorative meetings to openly oppose the party's guiding principles and to issue inflammatory articles and speeches which defamed the Communist Party, attacked the socialist system, and cast doubts on and negated the four cardinal principles. This created ideological confusion among the masses, especially among young students and this was the major reason a small number of students caused trouble. We must bear this serious lesson in mind, and in accordance with

Comrade Deng Xiaoping's demand, seriously and regularly use the four cardinal principles to educate people. That is to say, we should not wait for a flood of bourgeois liberalization or for serious problems which affect or even damage stability and unity to arise, before we carry out education. We should make this education regular and carry it out continually so that in the complex environment people will be able to determine right from wrong in terms of basic political principles and political orientation, their understanding will be heightened and they will be able to maintain clear heads.

Comrade Deng Xiaoping has pointed out: "Soldiers on the ideological battlefield all need to be engineers of the human soul. In this period of change in the building of socialist spiritual civilization and the overall cause of socialist construction, their responsibility in terms of ideological education is particularly heavy." (Deng Xiaoping: "Building Socialism With Chinese Characteristics," revised and enlarged edition, pp 26-27) In socialist modernization and reform, regularly using the four cardinal principles to educate people is an important responsibility of our theoretical, propaganda, media education, and literature and art workers. As "engineers of the human soul" they must hold high the banner of Marxism and socialism and use their articles, works, teaching, speeches and plays to educate and guide the people to correctly look at history, understand the current reality and adhere to socialism and the party's leadership, and encourage the people to rouse themselves, actively push forward, truly become people with ideals, morality, culture and discipline and struggle for socialist modernization. They should, together with the various levels of party cadres, strengthen work in all areas on the ideological front, and fully use the various media tools in their hands. Through education, news, publishing, broadcasting, and television, they should carry out and deepen meticulous ideological and political work, propagate the four cardinal principles with perfect assurance and educate the people to consciously adhere to the four cardinal principles.

We are carrying out education in adherence to the four cardinal principles under conditions of reform and opening up to the outside world. Therefore, we cannot lock people up in glass houses and ensure that people do not come into contact with decadent and repulsive things. This increases the complexity and arduousness of ideological education. Only by raising propaganda education work to a new level will we be able to improve the capacity for discernment and the immunity of people, especially young people. Through education we must ensure that the four cardinal principles are deeply set in people's minds so that the majority of people understand why we must safeguard the four cardinal principles and how we must adhere to the four cardinal principles. Adherence to the four cardinal principles and opposition to bourgeois liberalization are long-term tasks and we must firmly grasp the link of positive education, persevere in this and subtly influence the people. We must not rely on political movements. In education we must adhere to the principle of guidance, explain things with logic and motivate people with sentiments. We must carry out combined propaganda for the four cardinal principles and the general principles and general policies of reform and opening up, and throughout, adhere to the unity of these two main points. We cannot just talk about reform and overlook adherence and likewise we cannot

just talk about adherence and overlook reform. To achieve good results in education we should ensure that a variety of methods are used and that they are lively and vivid. Education must be both firm in principles and highly convincing. Rigid, uniform education styles cannot elicit people's interest. Dry "standard party essays" and simple, stiff preaching make people bored and uninterested. In this type of education, the more efforts that are put in, the fewer the results achieved. We must create diverse educational methods. We can adopt direct dialogue or question-and-answer sessions, we can invite theoretical, propaganda and education units to provide explanations and provide guidance, we can call small study sessions, discussion meetings and debates, we can adopt literature and art forms which the masses find enjoyment in, and so on. In brief, we must think of more methods and in a down-to-earth way carry out education in adherence to the four cardinal principles and in opposition to bourgeois liberalization. In this way the masses will be able to deeply understand, both on a theoretical level and in a way which is linked to their practical lives, that the four cardinal principles must be adhered to and bourgeois liberalization certainly must not be engaged in.

[By Yin Yi [1438 1837]]

6. "LIBERALIZATION IS IN ITSELF ANTAGONISTIC TO OUR CURRENT POLICIES AND SYSTEMS. IT CAN ALSO BE CONSIDERED OPPOSITION OR REVISIONISM." (Deng Xiaoping: "Building Socialism With Chinese Characteristics," revised and enlarged edition, p 143)

Here Comrade Deng Xiaoping is not only pointing out the bourgeois nature of liberalization, but also the serious harm of liberalization.

The party's line, principles, and policies since the 3d Plenary Session of the 11th CPC Central Committee have been formed on the basis of bringing order out of chaos and stressing correcting the "leftist" tendency which has been around for a long time. In implementing the various principles and policies of the party, at the same time as sweeping away the pernicious "leftist" influences, in fact the interference and opposition which came from the right were also regularly confronted. This rightist interference and opposition was the ideological trend of bourgeois liberalization.

A major manifestation of the opposition to current policies and the current systems by the ideological trend of liberalization was that the political situation of stability and unity was damaged and the smooth carrying out of construction and reform was interfered with. Comrade Deng Xiaoping once said: "The third plenary session has required stability and unity, and that socialist modernization is carried out on a base of stability and unity. This is in the greatest interests of the people of the whole country." ("Selected Works of Deng Xiaoping," pp 220-221) A stable and unified political situation is an important condition for the implementation and carrying out of the party's line, principles and policies in the new period. At the same time, it is a major principle of the new period, a major issue of principle. Without a stable and unified political situation it will not be possible to engage in construction. For this reason, after the smashing of the "gang of four," in 1980 the NPC passed a motion abrogating the

article in the Constitution on "speaking out freely, airing views fully, writing big-character posters and holding great debates." However, on this issue the ideological trend of liberalization ran counter to our efforts. For example, at the beginning of 1979, just after the 3d Plenary Session of the 11th CPC Central Committee had concluded, and the whole party was involved in bringing order out of chaos and redressing unjust and false cases, a rightist ideological trend stirred up visitors who had come from localities to appeal to the higher authorities for help, to engage in demonstrations and put forward calls to "oppose hunger," "oppose persecution," "demand democracy," "demand freedom," and so on. They craved nothing short of nationwide chaos. In the last half of 1982, on the ideological front a situation of spiritual pollution appeared. Some people in theoretical circles and literature and art circles departed from Marxism and China's reality, were fond of abstractly propagating humanism, the value of man and so-called alienation. They spread all sorts of decadent and backward ideologies from the bourgeois and other exploitative elements about communism and the leadership of the party, which produced serious ideological confusion. In 1986, the ideological trend of bourgeois liberalization expanded from the theoretical, ideological and cultural fields to the political field and there were many speeches which publicly opposed and negated the four cardinal principles. This was a major cause of the student tide which occurred at the end of last year. The occurrence of the ideological trend of bourgeois liberalization over the last few years, although different in scale and specific manifestations, have had one point in common: They have all violated the four cardinal principles, damaged the political situation of stability and unity, and interfered with smooth implementation of the reforms and opening up.

The antagonism of the ideological trend of liberalization to the principles and policies since the third plenary session and the current policies is rooted in its bourgeois nature. Liberalization has specific implications, that is, it opposes the socialist system and advocates the capitalist system, and its core is the negation of leadership by the party. Western capitalist countries claim to be "the free world." Actually, all that exists there is the freedom to be exploited as the employees of capitalists and the freedom to maintain and strengthen the private ownership system of capitalism. There is no freedom for the workers to be free from exploitation and oppression. This is the most basic thing in bourgeois liberalization. The other freedoms of the bourgeoisie, including freedom of speech, freedom to publish, freedom of assembly and freedom of association are all derived from this. They are intended to serve the freedom to exploit through bourgeois employment. Those people who engage in bourgeois liberalization worship the capitalist system and advocate that China be "completely Westernized." The objective is to oppose and abolish the CPC's leadership of the socialist cause, and they want to implement bourgeois so-called free systems in the areas of politics, economics, society and culture. It is very clear that liberalization is bourgeois and advocates the road of capitalism. Therefore it is inevitable that serious antagonism will occur between it and our current policies and systems.

Our current policies and systems have the building of socialism with Chinese characteristics as the point of departure and their point of return, and they manifest the two basic points of adherence to the four cardinal principles and adherence to reform and opening up. The reason we stress reform and opening up is to speed the development of the social forces of production and to better build socialism with Chinese characteristics. The reason we stress the four cardinal principles is to guarantee that reform, opening up and modernization develop in a socialist orientation. However, those we engage in bourgeois liberalization have opposite ideas. They see the four cardinal principles as "restrictions" which confine and fetter reform and opening up. This will inevitably distort and alter the current policies in the political, economic and cultural spheres. For example, we are now and shall be in the future carrying out various reform projects. The aim is to overcome the problems and defects of the original system which obstructs the development of the social forces of production, to gradually form a new economic system which accords with our national conditions, and to build socialism with Chinese characteristics. This reform is a revolution but it must not shake or deviate from the socialist system. Rather it must perfect itself on the basis of socialism. However, the ideological trend of liberalization has, on the pretext of reform, doubted and negated the four cardinal principles, held that the 30-plus years of socialist construction have been a failure and want to make a fresh start, change to new ways and "make up the missed lesson of capitalism." We are proceeding from the actual situation at the initial stage of capitalism, developing the individual economy and allowing Sino-foreign joint ventures and wholly foreign-owned operations. However, this certainly is not negating the publicly owned socialist economy. On the contrary, this is a beneficial supplement to the publicly owned economy, and its aim is to more quickly develop the social forces of production. The ideological trend of liberalization holds that in the reforms, we must give up socialism, develop capitalism and "completely Westernize." The full development of the commodity economy which we propose is a stage which socialist economic development cannot overstep. Thus we advocate the strong development of a planned commodity economy based on public ownership. However, the ideological trend of liberalization feels that capitalism is likewise a stage which cannot be overstepped. Following the deepening of the reform of the economic structure, we have put political structural reform on the agenda, advocated the separation of party and government work, improved and strengthened leadership by the party, advocated the development and improvement of socialist democracy and fully manifested the socialist principle of the laboring people being masters. However, the ideological trend of liberalization has distorted these policies, asserted that we should abolish leadership by the party, implemented a multiparty system, a parliamentary system, with the leadership position being taken in turns. At the same time, they set the development of democracy against leadership by the party and the socialist legal system, and advocate that people should speak and act as they wish. This will turn into anarchism without the restrictions of law and discipline and with people following their own inclinations and doing as they please. In opening up to the outside we have proposed studying and using for reference the advanced science and technology, the management experiences and even the beneficial culture of capitalist countries. However, the ideological

trend of liberalization has tried to copy and draw in the complete political systems, economic systems, and even the decadent value concepts and moral concepts of the capitalist countries. In brief, all of our current policies implemented in the various fields are centered on the subject of "socialism," while the ideological trend of liberalization wants to negate this subject and draw the current policies to the capitalist road.

The ideological trend of liberalization is a complex social phenomenon. Its emergence is on the one hand a reaction to the "Cultural Revolution" and on the other hand, is corrosion by foreign bourgeois ideas. This determines that opposition to bourgeois liberalization is not a short-term, but rather a long-term task. If the modernization blueprint is to become a reality, if our country is to stand powerful and prosperous among the countries of the world, and if the people are to gain increasing benefits, there is no other road but that of reform and opening up. At the same time as engaging in reform, we must adhere to the socialist orientation. At the same time as opening up, we must resist the influence of the decadent bourgeois ideology from abroad. Because our country is still economically, technologically and culturally backward compared to some developed capitalist countries, in the overall process of reform and opening up, it is always possible that interference in and opposition to the current policies by the ideological trend of bourgeois liberalization may arise. Therefore, we must unstintingly implement the principles of reform, opening up and invigorating and in accordance with the policies and arrangements decided on by the central authorities, deeply, healthily and sustainedly oppose the ideological trend of liberalization. Only thus will we be able to ensure that the current policies are implemented in an overall and precise way and thereby ensure the further consolidation and development of the socialist system. At the same time, we must also recognize that through our work over a period in the past, the situation of the flood of bourgeois liberalization has already been reversed. While continuing to do well in our work of opposing liberalization, we must place more stress on reform to ensure that our reforms and opening up continue to be carried out deeply. This is because, in the end, only through reform and opening up will it be possible to truly solve the problem of liberalization.

/6091

CSO: 4005/849

RANDOM THOUGHTS ON DEVOTION TO WORK

Beijing HONGQI [RED FLAG] in Chinese No 12, 16 Jun 87 p 43

[Article by Chu Ruigeng [0328 3843 5087]]

[Text] There is a certain incident which happened several years ago but has always been on my mind and has constantly given me strength to urge myself on.

It was in the summer of 1981, deep in the mountains of the Tai Hang range, that I met an old gentleman. He had joined the military forces during the liberation war and had been injured on the Korean battlefield. Since 1959 he had gone alone to the mountains where he planted trees and looked after them, and over a period of more than 20 years he had spent only three spring festivals in the villages below the mountains. In the thick forest groves we had a heart-to-heart talk. When I listened to his forthright and frank talk and laughter, saw his steady and powerful movements which seemed to illustrate his lofty and pure soul and spirit, I felt myself very much dwarfed. When I raised my glass of wine to wish him health and longevity, my eyes were full of tears.

Insofar as an individual is concerned, what constitutes loftiness? What is meant by devotion to one's work? I have obtained the answer in the person of the old comrade.

More recently another remembrance of a past incident came to my mind. This came about when I was away from the office making an investigation in a certain unit. In my contacts with the cadres at various levels, I was deeply pained by what was found. Certain cadres filled their stomachs every day but acted aimlessly; they diligently sought personal gains and meticulously calculated their supposed losses. They would not accept the least bit of hardship and were not willing to take the least risk. In certain departments and units, "those who worked seemed to be worse than those who simply looked on, and those who moved about were worse than those who stood still." To these people, to accomplish something was a strange problem and a strange demand.

Then there were certain other cadres--it would not be objective to say that they did not keep themselves busy or did not wish to accomplish something. The problem was: What they were busy with was not the welfare of the

populace but their own rise in position and their own promotion. All they worked for was the comfort and well-being of their families and children. The things they wanted to accomplish were all bound up with the word "self." To them, devotion to one's work was a strange admonition.

This has made me feel all the more the greatness of the shadow of the old comrade in the Tai Hang mountains and strengthened my hopes that the luster of his devotion to work will illuminate each and every corner of our enterprises.

This type of devotion to work, that is, closely uniting one's own work with the people's basic interests, possesses everlasting value. The Communist Party, since its birth, has taken as its task seeking the liberation of the entire people and has never sought private gains or power or position. Herein lie the Communist Party member's glory, loftiness, difference from ordinary people, and worthiness of praise.

Possessed of this type of devotion to one's work, one can become like Zhang Side who was forever toiling, diligent, doing all the work and sharing all the blame; and like Dr Bethune bubbling with enthusiasm for the people's interests and constantly seeking improvement of his medical skills; and also like the old comrade who had stayed in the mountains for several decades planting trees, caring for and protecting the trees, all for the sake of the following generations, never considering himself as having been a meritorious worker or extending his hand to the people for money. The essence of this devotion to one's work is "wholeheartedly serving the people."

In striking contrast with those cadres who had no devotion to work, I was happy to discover that in our actual life there were definitely many superior party members and superior cadres who rose early in the morning, went to bed late, would rather work than eat, were farsighted, and worked in a down-to-earth manner. They had a strong devotion to their work and many of them had achieved extraordinary results in their ordinary posts.

Recently I read two books written by two of my American friends--"China Conquered by the Chinese" and "The Long March--Anecdotes Never Heard Before." Reading them has left me with deep impressions, one of which was our ancestors' enormous devotion to their work. This devotion is like that displayed by the elderly comrade in the Tai Hang mountains. This kind of devotion to one's work can really move the gods and spirits and rock heaven and earth. In the past, we relied on it to achieve enormous successes and victories. From now on, if we can widely display the same kind of spirit, there will forever be hope for our people and our enterprises.

/6091

CSO: 4005/849

CALLING FOR THE FEELINGS OF 'COUNTRY FOLKS'---RECOMMENDING THE FILM 'COUNTRY FOLKS'

Beijing HONGQI [RED FLAG] in Chinese No 12, 16 Jun 87 p 44

[Article by Lin Wenshan [2651 2429 1472]]

[Text] I do not know how our young comrades, after seeing the film "Country Folks," have felt and thought. On my part, as an old and retired soldier I was deeply impressed and excited when I saw the film and fell into deep thought. Truly, the film's calling for the feelings and sentiments of country folks is very important, very timely, and very necessary.

"Fallen leaves join the roots of the tree" is a saying that illustrates that wherever a man goes, he always thinks of the old homestead where he was born and raised. However, as far as a warrior is concerned, oftentimes his thoughts wander to a place other than his homestead, that is, a battlefield where he once fought. Here are a large number of people who are dearer to him than his family. Each and every soldier has in his own eyes his "Mother Wang" who may be the mother of his war comrade who had fallen in battle, or the old auntie in the nearby transport station, or the aged landlady of the dwelling where he and his teammates had often stayed...for the sake of the revolution, they have offered their all, including their only sons. They had treated each and every warrior as their son. When we fell sick, they would supply us with herbist medicine, and in the event of the enemy's attack they would do everything to protect our safety. To forget them is a crime, but to remember them will breed a forever abiding and soliciting force.

Thanks are due to Comrade Wang Xiaodong for using her film to present the feelings of this category of old soldiers! The story may not have been exactly perfect, such as the description of the village head, a young devil of the time, and surely a country-elder or head cannot be so young but the film artistically and poetically brought forth this kind of feeling. The film is about an old warrior revisiting the northern Jiangsu old liberated area and it conveys an especially beautiful environment of the converging of history and reality. Each and every piece of grass and tree in the old area and deep sentiments of the country folks can easily make one recall the difficult but good and beautiful old days. One easily recovers in thought and in feelings the valuable things that have been lost.

In 1977 on leaving the cadres school, the first thing I did was to visit the old liberated area I had missed for over 20 years. The poverty of the region made me feel guilty. Just to narrate a minor detail is sufficient: I asked the former godmother of our team to take a picture with me. She consented, but stalled for a long while and finally appeared with an old and patched garment! I could do nothing to change the impoverished condition of the old area. I lacked even more the kind of noble spiritual environment and courage to face difficulties Comrade Yu Mong had demonstrated. I felt ashamed to see them. However, thanks again to the 3d Plenary Session of the 11th CPC Central Committee and to the string of policies of enriching the people it has produced since last year, when I visited the godmother again, I found that her house had been rebuilt and that when taking a picture she did not have to change her clothes. Quite apparently the old lady was in much better spirits than on the previous occasion.

Some people said in the film that the phrase "country folks" really refers to "conscience," and is a cognate term for prolonged historical remembrance and heavy realistic responsibility. I agree with this interpretation. All warriors are the sons of the working people, being also dependents of army martyrs as well as sons of the populace in the old liberated areas. Only with a firm remembrance of this relationship can there be the feelings of "country folks" and the feelings of Yu Mong and the wishes to do several concrete things for the people. "Three official seals but I would rather be country folk." These words are spoken by one of the "country folk," but they blemish the designation of the "country folk." The kind of people who hold tight to their power and position unceasingly ask for more money and power naturally have long lost the soul of the "country folk." Whether or not each and every warrior among our revolutionary corps can work selflessly for the public interest and accomplish results and whether or not he can display the party's superior traditions and work style are closely related to whether or not he can remember the "country folk" and remember the working people. Forgetful of the people is forgetful of the principal. If one forgets the people's nurturing, forgets the people's hopes and wishes, and is unmindful of the people's supervision, can he change at all? Comrade Chen Yun in his celebrated composition "Seven Old Rhymes: Never Stretch Out Your Hand" recited verses with meaning as follows: "First, think of never be forgetful of the source; commit no felonies since everything comes from the people; second, think of the care and nurture received from the party; without the party, what could you do?; third, think of the basic necessities of life; how could you live without the people?; fourth, think of the fact that although you have done meritorious deeds, have you not committed errors you are ashamed of?..." Comrade Chen Yun's lofty stance and magnanimous attitude have a lofty ideological foundation but never being forgetful of the people is his basic admonition.

In actual life, many of our aged warriors have maintained deep feelings of "country folks." There are many comrades who are like General Gan Zuchang. This is our party's glory, represents the hope of our enterprise and is the motive power for our advance. Character Yu Mong in the film is a good model for us to learn from. Under his tutelage, the clever and sagacious youngster

Du Shuangbao who "would never suffer losses" was willing to hoist the signal "I shall progress," thus illustrating the enormous power of copying others and the ability to bridge all so-called "generation gaps." Hence, in my opinion the younger generation will come to like the film "Country Folks," and, furthermore, I hope that the showing of the film "Country Folks" will awaken and stir up more and stronger feelings of "country folks" and the spirit of "country folks."

/6091

CSO: 4005/849

TABLE OF CONTENTS OF ISSUES NO 1-12, 1987

Beijing HONGQI [RED FLAG] in Chinese No 12, 16 Jun 87 pp 45-48

[Text]

JPRS
Issue-
Page

ARTICLES, EDITORIALS, AND COMMENTARIES
BY THE EDITORS OF THIS JOURNAL

Lecturer Groups Are an Important Force in the Field of Theoretical Education (Commentator).....	1-71
Uphold the People's Democratic Dictatorship (Commentator).....	2-11
Uphold Communist Party Leadership (Commentator).....	3- 3
Grasp the Ideological Weapon for Opposing Bourgeois Liberalization (Commentator).....	3-65
Keep to the Socialist Road (Commentator).....	4-35
Adhere to Marxism-Leninism-Mao Zedong Thought (Commentator).....	5- 3
Continue To Implement the 'Double Hundred' Policy (Commentator).....	6- 3
The Party's Line Since the 3d Plenary Session of the 11th CPC Central Committee (HONGQI Editorial Department).....	7- 1
Oppose Bourgeois Liberalization in a Resolute, Healthy, and Sustained Way (Commentator).....	7-13

Grasp Firmly the Two Major Issues in Economic Work (Commentator).....	9-19
Make Continuous Efforts To Develop the Rural Reform in Depth (Commentator).....	9-26
The Question of Party Style for a Ruling Party (Commentator).....	11-26
Strengthen Party Building Under the Conditions of Reform and Opening Up (Editorial).....	12- 4
Spirit Displayed Before a Blazing Fire (Commentator).....	12- 9

FORUM

Amid the Fine Situation, Do Not Forget the Basic Experiences.....	1- 1
Uphold the Four Cardinal Principles, Oppose Bourgeois Liberalization.....	2- 1
Communist Party Members Must Stand in the Van of Opposing Bourgeois Liberalization.....	3- 1
Opposing Bourgeois Liberalization Is Conducive To Implementing the 'Double Hundred' Policy.....	4- 1
Adhering to the Four Cardinal Principles and Insisting on Reform, Opening Up, and Economic Invigoration Are an Integrated Body.....	5- 1
It Is Still Necessary To Advocate Plain Living and Hard Struggle.....	6- 1
Strengthening the Building of the Marxist Theoretical Contingent.....	8- 1
Unremittingly Rectify Unhealthy Trends.....	9- 1
Firmly Grasp Implementation.....	10- 1
Study Deng Xiaoping's Thoughts on Reform.....	11- 1
Reform and Opening Up Are Our General Principle and Policy.....	12- 1

POLITICS

Speech at the Enlarged Central Work Conference (6 February 1962) (Deng Xiaoping).....	4- 3
--	------

Improve Inner-Party Life, Increase the Vitality of Grass-Roots Party Organizations (Wang Zhaoguo).....	1- 3
Give Full Play to Communists' Exemplary Vanguard Role in Construction and Reforms (Wei Jianxing).....	1-13
Several Questions Concerning the Guiding Ideology for Building Socialist Spiritual Civilization (Peng Zhen).....	2- 3
Take a Clear-Cut Stand in Opposing Bourgeois Liberalization-- Roundup of a Forum Held by HONGQI Editorial Department (HONGQI reporter).....	3-33
Several Questions Concerning Army Political Work in the New Period (Yu Qiuli).....	4-20
Democratic Centralism Is the Party's Fine Tradition--Reading Comrade Deng Xiaoping's Speech at the Enlarged Central Work Conference in 1962 (Zheng Shi).....	5- 8
Do Away With the Obsolete Customs of Marriage (Liu Jinxiu).....	5-56
Uphold the Socialist Legal Concept of Democracy--An Interview With Noted Jurist Zhang Youyu (Yang Fengchun, Li Maoguan).....	6- 8
Strengthen Education in Party Spirit, Defend the Party's Political Discipline (Wang Heshou).....	8- 3
Have Our Foothold on China's Reality, Take Our Own Road-- Studying the Enlarged Edition of Deng Xiaoping's 'Building Socialism With Chinese Characteristics' (Pang Xianzhi).....	8-24
A Major Reform in the Enterprise Management System (Li Lian).....	8-33
Several Questions on the Building of Urban Civilization (Xu Leyi).....	8-39
Several Questions Concerning Political and Judicial Work (Peng Zhen).....	9- 3

Making Great Efforts To Train and Bring Up Cadres of Minority Nationalities Is a Matter of Great Strategic Significance (Bu He).....	9-41
The Brilliant Deeds of Zhou Enlai in Developing External Propaganda Work During the Period of the War of Resistance Against Aggression (Gao Liang).....	10-30
Peace and Development Accord With the Will of the People of the World--Reviewing the International Situation in 1986 and Looking Forward to the Future (Ni Liyu).....	1-22
The Brutal Apartheid System and the South African People's Just Struggle (Ge Jie).....	3-57
An Analysis of the 'Economic Miracles' of Asia's 'Four Little Dragons' (Wu Ninggeng).....	7-46

ECONOMICS

Several Questions Concerning Urban Construction (Li Peng).....	1-31
On the Consciousness of the Socialist Commodity Economy (Liu Shibai).....	1-38
Earnestly Promote the Technological Progress of Enterprises (Zhu Rongji).....	2-39
A Tentative Study on the Reform of Enterprises Under the System of Ownership by the Whole People (Zuo Mu).....	2-49
Compress the 'Air' To Ensure Steady Economic Development (Jing Ping).....	3-40
A Talk on the Rural Courtyard Economy (Wang Yuzhao).....	4-56
Develop Agriculture Intensively by Depending on Science and Technology (Tian Yu).....	4-62
Establish a Macroeconomic Management System With the Emphasis on Indirect Control (Li Chengrui).....	5-40

Fully Understand the Long-Term Character and Arduousness of Reforms (Jing Ping).....	6-20
Several Questions Concerning the Evaluation of Contemporary Western Economics (Chen Daisun, Yang Deming).....	6-25
Several Pointers About Market Regulation (Jian Xuemo).....	7-53
What Is the Actual Potential of the Enterprises? (Zhou Guanwu).....	8-59
Reform and Perfect the Social Insurance System (Chen Ziaomei).....	8-64
Operation on a Contract Basis Is an Effective Way To Invigorate Large and Medium-Sized Enterprises (Lu Dong).....	9-33
Discussing Several Questions Concerning the Contract Management Responsibility System (Feng Baoxing).....	10-39
A Talk About the Need To Adhere to the Socialist Road in Light of Shanghai's Development (Jiang Zemin).....	11- 8
Deepen the 'Double Increase and Double Economy' Movement (Xue Ju).....	11-21
Brief Discussion on 'Double Increase and Double Economy' in Light Industry Enterprises (Yang Bo).....	12-20
A Study of Leased Operation of Enterprises.....	12-26
Leased Operation an Important Avenue for Enlivening Small-Scale Enterprises (Ling Fangqiu).....	12-26
The Various Forms of Leased Operations (Zheng Li, Liu Zhaonian, Xiao Wentong).....	12-28
In Leased Operations What Is the Relationship Between the Lessees and the Staff and Workers of the Enterprise? (Xiao Liang).....	12-31
The Object of Leased Operations Is the Enterprise (Ji Zhaoquan).....	12-33

INVESTIGATION REPORTS

A Survey on Rural Party Rectification in Hebei (Luo Shugang).....	2-62
How Does Doudiancun Develop Its Commodity Economy? (Fan Yuanmou, Li Zhongyuan, Kong Jia).....	3-45
An Investigation of Rural Household Enterprises in Suining City (Li Hongrui).....	6-34
Investigation on How the Hunan Lianyuan Iron and Steel Plant Undertakes the Responsibility of Increasing Profits Handed Over to the State (Policy Study Office of Hunan Provincial CPC Committee).....	10-46
Strengthen the Building of Rural Grass-Roots Party Organizations in the Course of Reform--An Investigation of the Establishment of Grass-Roots Party Organizations in the Course of Reform in Suzhou City's Rural Areas (Gao Fumin).....	12-12

PHILOSOPHY AND SOCIAL SCIENCES

Pondering the Question of Changes in Concepts (Li Congjun).....	1-63
An Appraisal of China's Traditional Philosophy and Its Historical Destiny (Mou Zhongjian).....	2-14
It Is Impermissible To Negate Selflessness (Shi Youxin).....	3- 6
Marxism Is a Complete Scientific World Outlook (Duan Ruofei).....	3-15
Lenin's Theory of Reflection and Piaget's Genetic Epistemology (Zhao Biru).....	5-26 6-42
Comments on the Modern Irrationalist Tide of Thought (Xia Jun).....	7-35
The Theory of 'Total Westernization,' Past and Present (Zhou Longbin).....	8-48
The Marxist Stand, Viewpoint, and Method (Wang Renzhong).....	9-10

Several Theoretical Questions on Building Morality (Song Huichang).....	10-55
Beginning the Talk With a Case of Boasting and Exaggeration (Yao Zhian).....	11-81
Talk on Tradition and Reform (Wang Xingguo).....	12-42

HISTORY

Zhou Enlai's Contributions to the Peaceful Settlement of the Xian Incident (Li Haiwen).....	1-47
A Magnificent Monument--Reading 'A Chronicle of Zhu De's Life' (Qi Guang).....	4-43
Let Us Also Talk About Foreign Aggression and Modern China's 'Opening the Doors' (Zhang Haipeng).....	6-52
A Scientific Approach Is Necessary To Eliminate the Pernicious Influence of Feudalism (Shi Youxin).....	7-60
Talking About the Question of Comprehensive Historiographical Research (Chen Yuning).....	11-57

SCIENCE

Be Good at Educating the Masses on Atheism (Shi Youxin).....	2-58
Philosophical Questions About Cosmology (He Zuoxiu).....	5-15
The Influence of New Developments in the Natural Sciences on Philosophical and Social Science Research (Sun Xianyuan).....	7-27

EDUCATION AND PHYSICAL EDUCATION

On the Spirit of Competition in Sports (Yang Xia, Zhang Zhenting).....	1-55
Several Experiences Concerning Conducting Marxist Education Among University Students (Li Jinkun, Cao Xiurong).....	3-24

Two Fundamental Questions To Be Resolved Earnestly in Higher Education (Jiang Nanxiang).....	6-15
The Whole Society Should Be Concerned About and Protect Children's Healthy Growth--Speech at the '1 June' Forum of Children's Workers (30 May 1987) (Li Peng).....	11- 3
Preschool Education Is the Engineering That Lays the Foundations for Training a Generation of New People (Deng Hongxun).....	11-51
Lose No Time in Leading Students To Study Marxism (Lin Ke).....	12-37
Jottings Written After Reading 'The Third Wave'--Also Commenting on 'Comments on "The Third Wave"' and 'A Big Lever' (Tian Sen).....	12-49

YOUTH COLUMN

One Should Take a Long-Term View of Things (Tan Jun).....	3-53
Dialogue on the Question of Democracy (Yang Ruisen).....	5-48
An Interview With Noted National Go Chess Champion Nie Weiping (Yang Rupeng, Guo Jinping).....	12-56

LITERATURE AND ART

Cherishing the Memory of Comrade Chen Yi (Liu Guanyi).....	1-70
Uphold and Develop the Marxist Theory of Literature and Art Through New Practice (Li Zhun, Ding Zhenhai).....	2-27
Comments on the Freudian View of Literature and Art (Dong Xuewen, Zhang Shouying).....	4-46
Seek Survival Through Reform, Seek Development Through Art--A Chronicle of Hebei Province's Dachang Hui Nationality Autonomous County's Ping Opera Troupe (Su Wenxun).....	6-60
Lu Xun Is an Integral Whole--Several Questions on the Study of Lu Xun Thought (Wei Jianlin).....	7-19

Carry Forward and Further Develop the Glorious Traditions of the Motherland's Literature History--Another Discussion With Comrade Liu Zaifu (Yao Xueyin).....	8- 9 9-48
Speech at a Discussion Meeting of Some of the Yanan-Era Veteran Literary and Art Fighters (Peng Zhen).....	10- 3
There Will Be No Socialist Literature and Art If We Deviate From the Correct Course (Li Xifan).....	10- 9
Think Over Whom To Serve and How To Serve (Liu Shaotang).....	10-18
Hug the Fertile Soil of Life, Take the Sweat of Cultivation (You Xiaogang).....	10-21
When I Was Floating Down the Tongtian He (Zhu Shimao).....	10-26
The 'Talks' Have Unlimited Vitality (Huang Zhen).....	11-33
The 'Talks' Light My Road of Creation (Cao Ming).....	11-36
Wulanmuqi, a Flower That Is Always in Full Bloom on the Grassland (Cultural Department of Nei Mongol Autonomous Region).....	11-41
Striking Deep Root in the Reality of the People's Life (Jia Jun).....	11-48

REVIEWS ON NEW LITERARY WORKS

A Successful Display of the Masculinity by Contemporary Armymen-- Watching the Television Series 'Triumph at Midnight' (He Shaojun).....	1-85
Ode to Strength--Appreciation and Analysis of Traditional Chinese Painting 'The Huang He Roars On' (Shen Peng).....	2-85
New Blossoms in Folk Dances Are Extraordinarily Fragrant (Jia Zuoguang).....	3-79
Here There Are Two Poor 'Rich Men'--Reading 'Zhaojiatun Has a Wedding Today' (Sun Wuchen).....	4-81

The Light of the National Spirit Sparkles--Commenting on the TV Series 'Snowy Fields' (Guo Rui).....	5-74
Why Was the 'Money God' Driven Out?--A Review of the Film 'Unfaithful Village' (Gao Gejin).....	6-79
His Monument Rises to Outer Space--Reading the Report 'Secret Course of the Father of "Two Bombs"' (Yang Rupeng).....	7-81
Good Teaching Material for Conducting Education on the Legal System--On the Film 'T Province in 1984 and 1985' (Hu Jing).....	8-84
A Fascinating Rural Trilogy--Watching Teleplays 'Spring Silkworms,' 'Autumn Harvest,' and 'The Last Days of Winter' (Tang Zhi).....	9-84
Glittering of the National Pioneering Spirit--After Watching Teleplay 'Floating Down the Chang Jiang' (Zhu Hansheng).....	10-79
Calling for the Feelings of 'Country Folks'--Recommending the Film 'Country Folks' (Lin Wenshan).....	12-73

MISCELLANEOUS COMMENTARIES

On Justice (Liu Ren).....	1-79
My Humble Opinion on 'Inertia' (Sun Shijie).....	2-83
'Regarding Lack of Greed as Valuable' and the 'Three Selflessnesses' (Jiang Xia).....	3-74
How To Understand an 'Understanding'? (Wu Hao).....	4-79
Thoughts on Flags (Xiao Xuan).....	5-72
Criticism Is Also Guidance (Yuan Wenlong).....	6-77
Lei Feng's Spirit Is Eternal (Zhang Yusheng).....	7-79

A Tentative Probe Into the Source of 'Heat'	
(Yu Ting).....	8-81
Comments on a Mode of Thinking	
(Jiang Xia).....	9-81
Questioning the 'Marshal' Ambition	
(Yu Xinyan).....	10-73
Identifying 'Orthodoxy'	
(Lu Ding).....	10-77
Modesty Is Always a Virtue	
(Xie Chunchang).....	11-79
Random Thoughts on Devotion to Work	
(Chu Ruigeng).....	12-71

CADRES' THEORETICAL STUDIES

Enthusiastically Encourage Young People To Study Marxist Theory	
(Song Defu).....	2-72
Core Study Groups at Various Levels in Jilin Province Achieve Initial Success in Theoretical Studies	
(Jilin Provincial CPC Committee Propaganda Department Theoretical Work Office).....	2-81
We Must Pay Serious Attention To Studying Marxist Basic Theories	
(Commentary).....	4-68
A New Attempt at Raising the Theoretical Quality of Cadres	
(Guo Zengpei).....	4-71
Read Two Books Conscientiously.....	7-65
Marxist Theory on Socialist Ownership and Its Development	
(Zhu Guanghua).....	9-70
Develop the Marxist Planned Economy Theory Through Practice	
(Gong Jinguo).....	10-66
Study Outline of Expositions From Central Documents on Adhering to the Four Cardinal Principles and Opposing Bourgeois Liberalization	
(HONGQI Theoretical Education Editorial Office).....	5-60
Foreword.....	5-60
1. Adhering to the Four Cardinal Principles Is the Foundation for Founding and Governing the State.....	5-61

2. Take a Clear-Cut Stand in Opposing Bourgeois Liberalization..... 6-67
3. Seriously Surmount the State of Weakness and Laxity on the Ideological Front..... 7-68
4. Correctly Carry Out Ideological Struggle Between the Two Lines..... 8-73

Expositions on Several Important Views in the Revised and Enlarged Edition of 'Building Socialism With Chinese Characteristics'

- (HONGQI Theoretical Education Editorial Office)..... 11-65
- Foreword..... 11-65
- I. Concerning the Building of Socialism With Chinese Characteristics..... 11-67
 - II. Concerning Adherence to the Four Cardinal Principles and Opposition to Bourgeois Liberalization..... 12-61

QUESTIONS AND ANSWERS

- How Should We Understand 'Value Concepts'?
(Lu Ding, Jian Yi)..... 1-74
- Why Do We Say That Egalitarianism Is Not a Socialist Moral Code?
(Cheng Xiusheng)..... 2-78
- Why Is It Said That Despite Price Rises the Standard of Living of the Vast Majority of Urban Residents Has Been Improved?
(Zhang Yigeng)..... 3-69
- How To Correctly Understand the Economic Implications of the Commodity Price Index?
(Shao Zongming)..... 3-72
- How Is Our Nation's Retail Price Index Compiled?
(Shao Zongming)..... 4-76
- What Are Shares and the Shareholding System?
(Liu Guangdi)..... 5-69
- What Are Shares and Bonds?
(Wu Xianling)..... 9-77

/6091

CSO: 4005/854

MAJESTY AND BEAUTY MIRROR EACH OTHER WHILE SENTIMENTS AND FEELINGS ARE
INCISIVELY AND VIVIDLY DEPICTED--APPRECIATION AND ANALYSIS OF THE 'GELESHAN
MARTYRS MONUMENT' SCULPTURES

Beijing HONGQI [RED FLAG] in Chinese No 12, 16 Jun 87 inside back cover

[Article by Yu Ren [0060 0088]]

[Text] On 27 November 1949, at the Zhazidong concentration camp of the "Chinese-U.S. Cooperative Office" below Gele Shan in Chongqing, the Kuomintang [KMT] reactionaries carried out a great massacre that shocked China and the world. In order to commemorate the revolutionary martyrs who lost their lives in this massacre, the Chongqing city government engaged the famous sculptor Professor Ye Yushan [0673 3022 1472] to design and super-intend the sculpturing of the "Geleshan Martyrs Monument."

The commemorative monument is sited in the martyrs cemetery below Gele Shan. Walking up the stone steps from the martyrs cemetery, a huge brown-red granite sculpture suddenly appears. This is the main sculpture of the commemorative monument--a group sculpture of the martyrs who met their death at Gele Shan. The overall sculpture is like a lofty peak and has a mighty force which shakes the soul. Standing before the sculptures, a spontaneous feeling of respect and admiration swells up in the heart. This original and ingenious contour form powerfully manifests the theme of the work and creates a deep image and artistic atmosphere. The artist said that he found the characteristics of this sculpture's form through the inspiration of the marvelous spectacle of nature. The sheer precipices and overhanging rocks, the river banks and the towering peaks, the deep ravines and valleys, the beaches and boulders--do not they precisely manifest the permanent significance of a commemorative monument? The sculptured figures form a circle, depicting the forms of the nine martyrs and forming the four theme scenes of "rather dying than submitting," "no sooner has one fallen than another steps into the breach," "being long imprisoned," and "meeting the dawn." Of the martyrs, some are directly facing the swords of the enemy, unbending before force and with another stepping in as the first falls, others are stroking the wings of a small bird which can freely beat its wings, and they are deep in thought. They yearn for freedom but for a just cause are willing to be imprisoned. Still others, hands holding the just-completed five-star red flag, are raising their heads and looking into the distance, firmly believing that the dawn will indeed come and overturn the various peaks in front of them

and illuminate the dark den of monsters. The artist has, on the basis of grasping the martyrs' common attitude of looking on death as going home, made efforts to depict individual images of different dispositions to show the martyrs' spiritual bearing from different sides. Thus, the sculptures are like a symphony of heroes. Sometimes it is resounding and intense, and other times it is slow and leisurely. There are sounds of hope as well as low growls. Movements of different feelings and moods reflect each other, producing sounds that are truly rich and are truly imbued with feeling.

In the overall structure of the group sculpture, the artist has drawn on the "central pillar" of our nation's traditional grotto arts. He has placed the figures in all directions back to back along a central axis. This stresses the "manifold outlook" of the work and the linkage and connection of the circumstances and also strengthens the sense of stability and dynamics. Thus, from the traditional artistic concept, there appears a new creation. In sculpturing the heads of the figures, the artist has blended the essence of European sculpture, and this manifests his great efforts.

The arrangement of the sculptured figures and the handling of the surface texture are also very successful. The artist has not gone into excessive detail in his carvings but has placed his attention on the overall image. The arrangement of the figures whereby there are some highs and lows, like a flowing rhythm rising and falling, suddenly towering onto a lofty peak and then falling into a deep valley, manifests a great momentum and an alternating sense of meter. When the creation entered the stage of granite carving, the artist and the craftsmen cooperated closely. From the marks of the large cutting chisels and the rough grain of the sectioned stones, the textural effects rich in natural beauty were discovered and retained. This has resulted in the work having a sense of form which coincides with artistic conception, and this greatly increases the artistic appeal of the group sculpture.

Since the sculpturing was completed, an endless stream of students, workers, PLA men, and people from all circles have come to reverently gaze at the graceful bearing of the martyrs and to ponder the martyrs' heroic spirit. Many newlyweds have also come to offer flowers as a type of wedding ceremony. Here, people cherish the memories of the martyrs and from the bottom of their hearts praise the artist who has used stone images to record the brilliant achievements of the revolutionary martyrs, expressing the common aspirations of the people.

/6091

CSO: 4005/854

END

10

This is a U.S. Government publication. Its contents in no way represent the policies, views, or attitudes of the U.S. Government. Users of this publication may cite FBIS or JPRS provided they do so in a manner clearly identifying them as the secondary source.

Foreign Broadcast Information Service (FBIS) and Joint Publications Research Service (JPRS) publications contain political, economic, military, and sociological news, commentary, and other information, as well as scientific and technical data and reports. All information has been obtained from foreign radio and television broadcasts, news agency transmissions, newspapers, books, and periodicals. Items generally are processed from the first or best available source; it should not be inferred that they have been disseminated only in the medium, in the language, or to the area indicated. Items from foreign language sources are translated. Those from English-language sources are transcribed, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by FBIS/JPRS. Processing indicators such as [Text] or [Excerpts] in the first line of each item indicate how the information was processed from the original. Unfamiliar names which are rendered phonetically or transliterated by FBIS/JPRS are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear from the original source but have been supplied as appropriate to the context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by the source.

SUBSCRIPTION/PROCUREMENT INFORMATION

The FBIS DAILY REPORT contains current news and information and is published Monday through Friday in 8 volumes: China, East Europe, Soviet Union, East Asia, Near East & South Asia, Africa (Sub-Sahara), Latin America, and West Europe. Supplements to the DAILY REPORTs may also be available periodically and will be distributed to regular DAILY REPORT subscribers. JPRS publications generally contain less time-sensitive information and are published periodically. Current JPRS publications are listed in *Government Reports Announcements* issued semi-monthly by the National Technical Information Service (NTIS), 5285 Port Royal Road, Springfield, Virginia 22161 and the *Monthly Catalog of U.S. Government Publications* issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

U.S. Government offices may obtain subscriptions to the DAILY REPORTs or JPRS publications (hardcovers or microfiche) at no charge through their sponsoring organizations. DOD consumers are required to submit requests through appropriate

command validation channels to DIA, RTS-2C, Washington, D.C. 20301. (Telephone: (202) 373-3771, Autovon: 243-3771.) For additional information or assistance, call FBIS, (703) 527-2368, or write to P.O. Box 2604, Washington, D.C. 20013.

The public may subscribe to either hardcover or microfiche versions of the DAILY REPORTs and JPRS publications through NTIS at the above address or by calling (703) 487-4630. Subscription rates will be provided by NTIS upon request. Subscriptions are available outside the United States from NTIS or appointed foreign dealers. Back issues or single copies of the DAILY REPORTs and JPRS publications are not available. New subscribers should expect a 30-day delay in receipt of the first issue.

Both the DAILY REPORTs and the JPRS publications are on file for public reference at the Library of Congress and at many Federal Depository Libraries. Reference copies may also be seen at many public and university libraries throughout the United States.